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TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATION BILL, 1985

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Mr. ABDNOR, from the Committee on Appropriations, submitted the following

REPORT

[To accompany S. 2853]

The Committee on Appropriations herewith reports an original bill (S. 2853) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies for the fiscal year ending September 30, 1985, and for other purposes, and presents information relative to its recommendation.

Amount of bill as passed by House	$11,896,587,701
Amount of increase by Senate	842,064,299
Amount of bill as reported to the Senate	12,738,652,000
Amount of estimate	12,349,687,000
The bill as reported to the Senate:	
Over the appropriations provided in 1984	794,752,000
Over the estimates for 1985	388,965,000
Over the House bill	842,064,299

S183-9

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GENERAL STATEMENT AND SUMMARY OF THE BILL

The accompanying bill contains recommendations for new budget (obligational) authority for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain independent agencies.

The Committee considered budget estimates for fiscal year 1985 in the gross amount of $12,349,687,000 included in the President's amended budget request. Compared to that amount the accompanying bill recommends new budget authority totaling $12,738,652,000, which is $388,965,000 more than the amount requested by the administration.

EXPLANATION OF COMPARISONS IN THE REPORT

When the Senate Committee on Appropriations considered and ordered reported this measure, H.R. 5798, the Treasury, Postal Service, and General Government appropriations bill for fiscal year 1985 had not yet been received and referred in the Senate. As a consequence, the Committee has reported an original Senate bill. However, to more fully explain the recommendations of the Committee, this report has been prepared with comparisons to the House-passed bill, as if the reported Senate bill were reported in the form of amendments to its companion bill, H.R. 5798.

AGGREGATE REDUCTION IN BILL

The House adopted a new section (sec. 620) which provides for an across-the-board reduction of 1 percent. That reduction is to be applied to all accounts, discretionary and mandatory, except the following Executive Office of the President's accounts: Office of Administration, White House Office, and Office of Management and Budget. This reduction is not included in the discussion of individual accounts. The reduction totals $119,397,199.

REPROGRAMINGS

The departments and agencies funded by this act are directed to comply with the reprograming guidance printed below.

The guidance applies to those actions which represent a significant shift in program direction resulting in changes in the distribution of resources as presented to and approved by the Congress. Effective with the date of enactment of this bill the approval of the House and Senate Committees on Appropriations shall be required for any such action when the amount involved is in excess of $500,000, or 10 percent, whichever is greater, in any object class, budget activity, program line, or program activity. Lesser amounts will also require reprograming approval if it is clear that such an action would result in a major change contrary to the program presented to and approved by the Congress or if the cumulative effect of past reprograming actions and a specific new action under consideration would have the effect of exceeding the dollar limitation discussed above.

Requests for approval of reprogramings will be submitted to the Office of Management and Budget and the Appropriations Committees but no action shall be taken by the agency until the request has been approved by both the House and Senate Committees on Appropriations.

These instructions apply only to funds included in appropriations accounts and the Federal Buildings Fund. It excludes revolving funds since revolving fund programs are generally based on demands from external sources and changes to them do not represent a conscious change in program emphasis—the basic reason for requesting approval for reprograming.

The justifications for proposed reprograming actions need to be clear and as strongly supportive as the original budget request. Except in extraordinary circumstances reprograming proposals will not be accepted with less than 45 days left in the fiscal year nor will they be accepted for actions to reverse previous congressional actions.

TRANSFER OF FUNDS BETWEEN APPROPRIATION ACCOUNTS

The administration has requested limited authority for the Secretary of the Treasury and the Administrator of the General Services Administration to transfer funds between appropriation accounts. For the Secretary of the Treasury, a 2-percent transfer authority is being requested, while the Administrator of GSA is requesting authority to transfer up to 3 percent between appropriation accounts.

The Committee has approved the request of the Department that they be granted authority to transfer up to 2 percent between appropriations accounts, but only upon prior approval of the respective Committees on Appropriations. The Committee has recommended that the Administrator of the General Services Administration be allowed to transfer up to 1 percent between appropriation accounts during fiscal year 1984, but, again, only in emergency situations when the need for such transfer is unforeseen and absolutely critical to the mission supported by the affected appropriation account, and only after the Administrator has received the express approval of both the House and Senate Committees on Appropriations.

The Committee is concerned that in the past even such limited transfer authority has been abused and often used by the agencies for reorganizations that have major policy implications. Such transfers are interpreted by the Committee as circumventing the appropriations process and will not be tolerated in the future. Nevertheless, the Committee acknowledges that circumstances do arise during the course of a year whereby a shift of small amounts of money from one account to another at GSA could make a significant difference in the agency's ability to address unforeseen contingencies. Therefore, the Committee has granted limited transfer authority to the GSA for fiscal year 1984 as outlined above.

COMMITTEE PROCEDURES REGARDING REPORT LANGUAGE

Any limitation, directive, or earmarking contained in either the House or Senate report, which is not contradicted by the other report nor specifically denied in the conference report, shall be considered as having been approved by both Houses of Congress.

TOTAL FUNDING FOR TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT PROGRAMS

In addition to the new obligational authority recommended in the accompanying bill, additional significant sums are made available each year for these same agencies under permanent authority which do not require consideration by the Congress during the annual appropriations process. The principal items in this category include payment of interest on the public debt which alone is anticipated to reach $164,500,000,000 for fiscal year 1985; interest on Internal Revenue Service refunds of income tax payments; payment of some claims and judgments; payments in connection with the civil service retirement and disability fund; and payment to Puerto Rico for internal revenue and customs collections. It is estimated that the fiscal year 1985 requirement for these funds will exceed the fiscal year 1984 amount by approximately $23,000,000,000

The amounts recommended in the accompanying bill—in the form of new obligational authority—together with the funds provided under the permanent authority referred to above will provide approximately $12,800,000,000 during fiscal year 1985 for the agencies and activities under the general heading of this bill.

In addition to the agencies whose funds are derived from direct appropriations, there are other agencies that operate under authorities which exempt them from congressional review, in whole or in part, during the annual appropriations process or, as a matter of fact, from any other regular oversight by the Congress. For example, the U.S. Postal Service, under the Postal Reorganization Act, is authorized to use all of its income from postage and services for its own purposes and to request an appropriation from the Congress for certain subsidies. Therefore, only the amount of the subsidy requirement is regularly reviewed by the Congress. In the Treasury Department, the Office of the Comptroller of the Currency, whose income is derived principally from assessments paid by national banks, is exempt from congressional review, because such assessments are not construed under law to be Government funds.

TITLE I—DEPARTMENT OF THE TREASURY

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

1984 appropriation to date	$65,743,000
1985 budget estimate	84,242,000
House allowance	[1] 56,474,000
Committee recommendation	77,242,000

[1] House has recommended separating out international affairs activities from Office of the Secretary account.

The Committee recommends an appropriation of $77,242,000 for the salaries and expenses of the Office of the Secretary, including the international affairs function. The House has provided for separate appropriations for international affairs and for the Office of the Secretary, salaries and expenses. The amount provided by the Committee is $2,000,000 less than both the combined House allowance for the two accounts and $7,000,000 less than the budget estimate for both accounts.

The functions of the Office of the Secretary are in support of and necessitated by the responsibilities of the Secretary of the Treasury as a major policy adviser to the President and executive director of the Department. The Secretary has primary responsibility for: Formulating and recommending domestic and international financial policy and tax policy; participating in the formulation of broad fiscal policies that have general significance for the economy; and managing the public debt. The Secretary also oversees the activities of the Department in carrying out its major law enforcement responsibilities, in serving as the financial agent for the U.S. Government, in manufacturing coins and currency, and in managing the operation and maintenance of the main Treasury and annex buildings.

The international affairs programs involve the formulation and execution of Treasury policy in a wide range of important economic areas. Major program concerns include maintenance of liaison with international organizations and foreign governments in matters of common economic concern; investment of exchange stabilization fund reserves and sales and purchases of foreign currency for the purpose of stabilizing exchange markets; projection and interpretation of international economic trends; formulation and execution of economic policy decisions regarding developing nations; development of U.S. policy regarding international financial institutions; assisting in economic aspects of programs funded jointly by the United States and Saudi Arabian Governments; and a variety of other programs.

In recommending a reduction of $7,000,000 below the budget request for the Office of the Secretary, the Committee directs that $1,426,000 be taken out of the Secretary's international affairs activities. Although the Committee fully recognizes that the Secretary has major international economic duties as both Secretary of the Treasury and as an economic adviser to the President, it does not believe that under the rigid budget restraints within which all agencies in this bill and others are operating, international affairs activities should be allowed to increase over fiscal 1984 levels.

The Committee also notes that $5,000,000 of the proposed reduction below the budget will be achievable due to slippage in the scheduled construction and renovation work at the Treasury annex. According to the Department, the relocation of the Bureau of Government Financial Operations (BGFO) will not take place in the timeframe originally envisioned when the budget was put together in February and, therefore, the reduction of $5,000,000 is appropriate. Even with this reduction, sufficient funding will remain in to allow continuation of the planning for this proposed relocation later in the year. If, in fact, the relocation and renovation timetable can be met during fiscal year 1985, the Committee is willing to give serious consideration to providing full funding in a supplemental appropriation bill next year.

The Committee directs that the balance of the recommended reduction below the budget be absorbed in lower priority activities in the Office of the Secretary, including travel and consultant services.

The Committee notes with concern that virtually no detail was provided by the Department in its initial fiscal 1985 budget justification documents regarding the specific programs, object classifications, and activities under international affairs. If the Committee is going to continue to support a combined Office of the Secretary account, the Secretary must assure the Committee that specific, detailed information on the international affairs component must be provided in the regular budget justifications, including object class breakdowns, new program initiatives, personnel analyses, and other pertinent budget data on how the Secretary intends to spend the international affairs funds.

TEXTILE IMPORTS

The Committee is extremely concerned about the rate of growth in textiles imported into the United States. The World Bank and the other regional developmental institutions are contributing to this rate of growth by providing subsidized funds to developing countries to expand their textile exports. This Committee insists that the Secretary of the Treasury instruct the respective U.S. directors in the multilateral development banks (MDB's) to use their voice and vote to oppose any new loans for textiles that would result in additional exports from borrowers if those exports would result in injury to U.S. producers of the same similar or competing item.

SMALL BUSINESS TAX STUDIES

The Committee is concerned use of the tax code to implement social or economic goals may have resulted in overly complex provisions favoring large corporations over small businesses. The Committee notes, for example, investment tax credits are predominantly used by large corporations, possibly giving large corporations an unintended competitive advantage over their smaller competitors.

In order to give Congress a base from which to study fairness in taxation, the Committee directs the Department of the Treasury to study differential effects of tax laws upon large and small businesses and to analyze the tax treatment of small businesses in relation to large corporations. The Committee directs the Treasury Department to report back the findings on or before January 20, 1985.

The Committee notes the continuing deterioration of the economic vitality of many of our Nation's rural communities and is concerned that our tax laws may discourage the transfer of small businesses to family members or other entrepreneurs who will maintain them as viable entities.

In order to give Congress necessary information to address this issue, the Committee directs the Treasury Department to analyze the tax code for aspects that may discourage the continuation of owner-operated small business enterprises. The Committee directs the Treasury Department to report back the findings no later than January 20, 1985.

INTERNATIONAL AFFAIRS

1984 appropriation to date	
1985 budget estimate	
House allowance	$22,768,000
Committee recommendation	

The House has broken this account from the Office of the Secretary activity. The Committee believes one account better facilitates administration and that documentation provided by the Office of the Secretary provides adequate oversight. Therefore, the Committee has recommended merging International Affairs into the Office of the Secretary account.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

1984 appropriation to date	$14,481,000
1985 budget estimate	16,964,000
House allowance	16,964,000
Committee recommendation	18,314,000

The Committee approves an appropriation of $18,314,000 for the Federal Law Enforcement Training Center. This amount is $1,350,000 more than both the budget request and the House.

The Federal Law Enforcement Training Center provides the necessary facilities, equipment, and support services for conducting basic and advanced, in-service, refresher, and specialized (AIRS) training for law enforcement personnel of the participating organizations. Center personnel conduct the instructional programs for the basic recruit training and also selected portions of the advanced training. In addition, the Center furnishes training on a space-available basis to personnel from several Federal organizations which are not formal participants in ongoing training activities.

The budget request is $3,833,000 above the fiscal year 1984 level. Of this total $2,100,000 is for minor construction and maintenance. In fiscal year 1979, the House and Senate Appropriations Committees instructed the Center to use previously appropriated construction funds for ongoing requirements for repairs, alterations, minor construction and equipment for facilities at Glynco. Through December 31, 1983, the Center had obligated approximately $8,800,000 for these purposes. It is projected that the remaining repair and alteration funds will be obligated during the remainder of fiscal year 1984. Beginning in fiscal year 1985, it will be necessary for the Center to rely on the salaries and expenses appropriation for these requirements, and a $2,100,000 line item request is included in this submission for that purpose.

STATE AND LOCAL TRAINING

The Committee has increased the budget request by $750,000 to be used specifically for training of State and local law enforcement personnel. The National Center for State and Local Training concentrates on improving on advanced and specialized skills. Special emphasis is placed on juvenile justice and other training cited by the Office of Juvenile Justice and Delinquency Prevention. Testimony has indicated that this and other State and local training programs have proven most effective. The Committee believes they should be continued, and that the continuation not impact adversely on other training programs.

ADP MODERNIZATION

Computer fraud has become an increasing problem as high technology continues to develop. Much can be done to broaden the Center's education curriculum at a relatively modest level, as it relates to the criminal investigative process and additional operating efficiency and training effectiveness. The Committee has, therefore, included $600,000 for the Center to expand its ADP curriculum.

BUREAU OF GOVERNMENT FINANCIAL OPERATIONS

SALARIES AND EXPENSES

1984 appropriation to date	$239,995,000
1985 budget estimate	239,908,000
House allowance	226,608,000
Committee recommendation	235,994,000

The Committee recommends an appropriation of $235,994,000 for salaries and expenses of the Bureau of Government Financial Operations. This amount is $3,914,000 less than the budget estimate but $9,386,000 over the House level.

The Bureau of Government Financial Operations provides central payment services for all civilian executive agencies, except the U.S. Postal Service, U.S. marshals, and certain Government corporations, processes claims on lost, stolen, and forged checks, provides accounting services for the Government, including maintenance of the central accounts concerning appropriations, receipts, and expenditures for the Government as a whole, provides checking account facilities to Government disbursing officers for the purpose of drawing checks on the U.S. Treasury, compiles and publishes financial reports, and performs other unique central fiscal operations. The Bureau's financial requirements to carry out these programs are subject almost entirely to program increases generated by other agencies and the Congress.

The Committee has reduced the budget request by $3,914,000. This sum was to be provide for consolidation of BGFO offices. It appears that delays will be met in the consolidation. The Committee therefore defers without prejudice the moneys requested for the consolidation move.

The Bureau has undertaken many initiatives since 1983 to modernize obsolete systems and improve the performance of existing systems; systems which will recover approximately $800,000,000 in fiscal year 1985 alone. The Bureau has been able to achieve these objectives while reducing funding and personnel requirements. It also has followed congressional direction not to increase travel requirements by maintaining a fairly stable travel ceiling for the last 5 years.

The fiscal year travel ceiling for the Bureau of Government Financial Operations will not be sufficient to allow the Bureau to fully realize the increased interest savings resulting from the modernization and cash management initiatives. In addition, funds will not be available to maintain the level of security necessary to avoid increased vulnerability of our electronic systems, insure physical security of the disbursing centers, and implement necessary internal controls in compliance with the Federal Managers' Financial Integrity Act.

This presents a problem for the BGFO during fiscal year 1985. The Committee has, therefore, lifted the travel restrictions outlined in section 501 of this bill to meet this problem. To provide accountability, the Committee directs a quarterly report on travel expenses be submitted to the Committees on Appropriations.

The BGFO is proposing a staff reduction for fiscal year 1985 because of its management efficiency and automation improvements. The budget justification personnel ceiling contains a printing error. To clarify any questions, the Committee is authorizing 2,263 positions.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

1983 appropriation to date	$157,260,000
1984 budget estimate	161,771,000
House allowance	169,271,000
Committee recommendation	167,271,000

The Committee recommends an appropriation of $167,271,000 for the salaries and expenses of the Bureau of Alcohol, Tobacco and Firearms for fiscal year 1985. This is $5,500,000 over the administration's request, but $2,000,000 below the House figure.

The responsibility of the Bureau of Alcohol, Tobacco and Firearms (ATF) is to: (1) Reduce the misuse of firearms and the misuse and unsafe or insecure storage of explosives and assist other Federal, State, and local law enforcement organizations in reducing crime and violence in which firearms and explosives are used, through the effective enforcement of the firearms and explosives laws of the United States; (2) insure that all revenue due under the alcohol and tobacco tax statutes is collected, and obtain, to the maximum extent possible, voluntary compliance with those laws; (3) suppress illicit manufacture and sale of non-tax-paid alcoholic beverages; (4) suppress commercial bribery, consumer deception, and other improper trade practices in the alcoholic beverage industry through the effective administration and enforcement of the Federal Alcohol Administration (FAA) Act; (5) eliminate trafficking of contraband cigarettes; and (6) administer research and development to improve technology as a means of combating the use of explosives in crime.

The Committee commends the steady progress of the Bureau of Alcohol, Tobacco and Firearms in terms of program success, fiscal responsibility, and management initiatives. In the fiscal year 1984 appropriation, the Committee recommended a base level of employment of 3,040 full-time equivalent (FTE) positions. The Committee continues to believe that 3,040 FTE is the optimum staffing level for AFT, but, in the interests of controlled growth and fiscal restraint, we recommend an FTE ceiling of 2,920 for fiscal year 1985. In the event that increases in the excise taxation rates, or changes in the collection system, warrant the consideration of additional funding for the Bureau of Alcohol, Tobacco and Firearms during fiscal year 1985, the Committee will entertain requests based on documentation of such changes and ensuing additional resource needs.

ALCOHOL

There is broad bipartisan congressional recognition of the importance of Federal excise taxes as a vital element of current congressional deficit reduction legislation. At its current staffing level, ATF has the most favorable ratio of dollars collected versus dollars expended of all of the Federal tax-collecting agencies.

Thus, the Committee holds that any reduction in ATF's capability for insuring full protection of excise tax revenues due the Federal Government is untimely, ill-advised, and could jeopardize Federal revenues. No compelling argument can be made for a reduction which would result in a 49-percent reduction in ATF's revenue protection capability. No technological advance can replace the highly specialized knowledge and skills of ATF's cadre of inspectors.

Therefore, the Committee recommends the restoration of 143 positions in this program area.

FAA ACT

The Committee has again inserted a provision in the bill mandating funding for enforcement of the FAA Act at a minimum level of $15,000,000. This is the same amount recommended in fiscal years 1983 and 1984. We would note that AFT's effectiveness in this important program area has not flagged, even though the funding amount has not been increased to contemplate inflation or rising operating costs. We commend ATF's management for the productivity gains which result in continued efficient enforcement at a decreasing cost to the taxpayer.

ARSON

The efforts of the Bureau of Alcohol, Tobacco and Firearms to deal with the cowardly, avaricious crime of arson for profit warrant nothing less than unqualified support from this Congress. The investigative techniques and skills brought to arson crime investigations by ATF special agents greatly enhance the potential for solution of these vicious acts.

With this in mind, the Committee strongly recommends that 33 positions be redirected from the anticigarette smuggling program, where the challenge has been met, to the arson program, where much work remains to be done.

CIGARETTE SMUGGLING

The efforts of the BATF in this program area have been of great benefit to the several States which had previously been deprived of revenues by criminal evasion of the cigarette taxes of those States.

As an element of this program, ATF has developed and executed an ambitious and comprehensive strategy for training State law enforcement officials in the technique and methods most effective in combatting interstate cigarette smugglers.

This training has served to make the States far more self-sufficient in this important enforcement area. Therefore, the Committee recommends that the interstate smuggling program be reduced by 33 positions and $2,100,000 and that those positions be redirected to the arson program.

ATF REPRESENTATION ALLOWANCE

The Committee recommends that the Bureau of Alcohol, Tobacco and Firearms be authorized to pay up to $5,000 out of its fiscal year 1985 appropriation for representational expenses incurred on official ATF national and other related activities. The Committee does not take lightly this recommendation for a separate representation allowance for ATF and acknowledges that such allowances in other agencies have been subject to close scrutiny and often abused. However, the Committee has learned that ATF employees—both top officials and lower level staff—have been forced to pay for necessary official representation expenses out of their own pockets on numerous occasions. The Committee believes that legitimate, necessary representation expenses should be paid for out of ATF's budget and has, therefore, authorized up to $5,000 to be used for these purposes.

Finally, the Committee directs the Director of ATF to report on a quarterly basis to the Committee on actual expenditures made for official representation purposes, including the amount expended, the purpose of the function for which the expenditure was made, and the date of the event. Furthermore, the Committee reserves the right to abolish the representation allowance provision in subsequent supplemental appropriation measures in fiscal year 1985 if it finds that the allowance is being abused or used for questionable purposes.

U.S. CUSTOMS SERVICE

SALARIES AND EXPENSES

1983 appropriation to date	$584,943,000
1984 budget estimate	585,335,000
House allowance	....
Committee recommendation	643,465,000

The Committee recommends an appropriation of $643,465,000 for the salaries and expenses of the U.S. Customs Service. This amount is $58,130,000 more than the budget estimate. The House approved no funding for the Customs Service.

The salaries and expenses account covers all personnel costs and related expenses for the U.S. Customs Service. The operation and maintenance, air interdiction program account covers the fuel, equipment, utilities, and supply costs associated with the Service's air interdiction program. The infusion of military assets into the Customs air program has necessitated the establishment of a separate account for the air program's operation and maintenance activities.

As the agency with the primary border enforcement responsibility and a major revenue producer, the U.S. Customs Service administers and enforces the Tariff Act of 1930 and some 400 other provisions of laws and regulations of 40 other Federal agencies which govern international traffic and trade. The multiencompassing aspects of this mission require the U.S. Customs Service to:

—Control, regulate, and facilitate the movement of carriers, persons, and commodities between the United States and other nations.

—Protect the American consumer and the environment against the introduction of hazardous and noxious products; and protect American industry and the American worker against unfair competition from foreign manufacturers.

—Assess, collect, and protect the revenue accruing to the United States from duties, taxes, and fees incident to international traffic and trade.

—Detect, interdict, and/or investigate: Smuggling and other illegal practices designed to gain illicit entry into the United States of prohibited articles, narcotics, drugs, and other contraband;

—Fraudulent activities calculated to avoid the payment of duties, taxes, and fees, or to evade the legal requirements of international traffic and trade;

—Illegal international trafficking in arms, munitions, and currency.

The President's budget request for fiscal year 1985 assumes a number of program enhancements as well as a number of offsetting decreases in existing programs covered by the salaries and expenses account. They are as follows:

NEW PROGRAM INITIATIVES

+ $8,800,000 for development of an automated commercial system of which approximately $6,200,000 would be used to purchase regional ADP equipment to link field operations and the national computer.

+ $2,500,000 for development of an integrated Customs data telecommunications network—a network that includes a Treasury enforcement communications system (TECS) and the commercial and administrative systems which help to protect the revenue while facilitating international trade.

+ $5,694,000 for development of radio voice privacy communications systems for Customs law enforcement personnel, including the purchase of mobile and portable radios, base stations, repeaters, and encoders.

Reductions and savings:

− $58,834,000 and 954 average positions (923 positions).

− $7,000,000 in savings, assuming an amendment to the Airport and Airway Development Act, allowing Customs to charge for inspectional services provided to aircraft by Customs on Sundays and holidays.

− $640,000 in marine program special operations.

− $5,000,000 in Operation Exodus.

The level of funding recommended by the Committee accommodates the three major program initiatives contained in the President's budget request and which are outlined briefly above. Specifically, the Committee has recommended full funding requested by the President for the automated commercial system, the integrated Customs data telecommunication network, and the radio voice privacy communications systems.

However, the Committee has recommended the following adjustments to the reductions and savings contained in the President's budget request.

RESTORATION OF CUSTOMS POSITIONS

The Committee has recommended the restoration of $39,543,000 and 923 positions that the administration has proposed to eliminate in fiscal year 1985. The reduction of 31 Olympic games, nonrecurring positions has been approved by the Committee.

For the second year in a row, the Committee has recommended the restoration of critical Customs positions in the face of administration efforts to sharply reduce the Customs work force to unacceptably low levels, particularly in key law enforcement jobs. The reduction proposed by the administration would deal a devastating blow to drug enforcement at Customs next year and would undoubtedly cause severe problems in the processing of cargo, the facilitation of passengers, and the interdiction of illegal high technology exports to Soviet bloc countries. At a time when drug trafficking, trade, and high technology export problems are so acute, the Committee does not believe that personnel cutbacks of the magnitude recommended by the administration are warranted.

Therefore, the Committee has recommended funding sufficient to restore 923 positions to the President's budget for fiscal 1985.

NEW POSITIONS FOR NEW YORK DRUG ENFORCEMENT

In recognition of the devastating narcotics problem in New York and the increase in drug smuggling in cargo containers, the Committee has recommended an additional $4,000,000 and 100 positions to be assigned to the New York Customs District specifically to bolster the Customs drug interdiction effort at the airports and seaports. Of the 100 new positions, 75 shall be inspector slots while the balance of 25 shall be Customs agent slots to boost the agency's domestic drug intelligence gathering capabilities in the New York area. Furthermore, the Committee directs that the agency establish as many contraband enforcement teams (CET teams) in New York as is appropriate to develop the specialized capability necessary to attack the drug trafficking problem that is entrenched in New York.

The Committee does not take lightly this emergency personnel enhancement targeted for the New York area. However, the magnitude of the drug problem in that northeastern area necessitates extraordinary action by the Committee in fiscal year 1985 to wage war on the drug problem in New York. The Committee expects the Commissioner of Customs to personally intervene in the hiring of these new inspector and agent positions and to keep the Committee apprised on a regular basis with written reports on the progress of this personnel initiative and the effect these new slots are having on stopping the drug traffic in New York. Such additional personnel are to be assigned and placed on duty early in fiscal year 1985, but in no case later than December 1, 1984. In the assigning of such personnel, special priority shall be given to interdicting the smuggling of heroin into New York in container shipping and by air.

The Committee directs the Commissioner of Customs to allocate these restored positions and additional funds to high priority law enforcement activities and job categories as outlined in the following table:

RESTORATION OF REDUCED POSITIONS

Principal categories	1983	Fiscal year 1984	Budget estimate	Committee recommendation	Budget estimate (+ or −)
Inspectors	4,122	4,289	4,416	4,341	+579
Import specialist	1,027	1,042	875	1,042	+167
Secretaries	589	641	619	619	
Other clerks	505	547	506	527	+21
Customs aides	1,307	1,015	993	1,015	+22
Lab employees	139	140	130	130	
Patrol officers	1,134	1,246	1,246	1,246	
Regional and district employees	1,564	1,589	1,410	1,549	[1] +139
Customs agents	701	932	932	957	+25
Investigators	115	145	145	145	
Internal affairs	154	161	161	161	
Regional counsel	76	78	78	78	
Headquarters staff	1,063	1,057	1,032	1,057	[2] +25
Subtotal	12,496	12.882	11,964	12,982	+1.018
Part-time and temporary	402	441	405	410	+5
Total	12,898	13,323	12,369	13,392	+1,023

[1] Twenty pilots and air officers.

[2] Positions are related to intelligence.

The Committee intends to make it clear to the Customs Service that the 139 positions restored over the President's budget request for regional and district employees shall include at least 20 new pilot and/or air officer positions to be focused on the air interdiction program. Also the Committee intends that all of the 25 positions restored over the President's budget for headquarters staff shall be targeted for improving the intelligence capabilities of the Customs Service. The Committee expects to receive a full report by no later than July 30, 1985, regarding their progress to date in complying with the directives outlined in this report on the allocation of positions restored above the President's budget estimate.

INSPECTIONAL SERVICES

The budget proposed a savings of $7,000,000 assuming an amendment to the Airport and Airways Development Act, allowing Customs to charge for inspectional services provided to aircraft by Customs on Sundays and holidays. It does not appear that legislation will be adopted during this Congress. The Committee does not believe the Customs can absorb this amount without it affecting other vital programs. So, therefore, the Committee has recommended the restoration of $7,000,000 within the total amount recommended in the bill.

OPERATION EXODUS

The Committee has recommended the restoration of $5,000,000 to the President's budget for Operation Exodus in fiscal year 1985. This increase will bring the Operation Exodus budget to a level of $21,000,000 in fiscal 1985, $9,600,000 below the fiscal 1984 Operation Exodus budget estimate.

Although the Committee acknowledges that certain nonrecurring equipment costs make it possible to reduce the Operation Exodus program below 1984 levels, the Committee believes that a restoration of $5,000,000 will allow customs to accelerate its efforts to interdict the flow of illegal, militarily-significant Western technology to the Soviet Union and other Soviet bloc countries. The Committee believes that there is no more important mission of the Customs Service that is as critical to our national security as their mission of stopping illegal, high-technology exports to these communist-bloc countries. The structure and equipment needed to do the job are now in place at Customs. However, this additional funding over the President's request will allow the agency to develop new approaches and techniques and apply those techniques to intercepting hi-tech exports destined for the Soviet Union and its satellite allies. The restoration recommended by the Committee will also allow Customs to maintain an adequate Operation Exodus work force to address these important national security matters.

CUSTOMS REDUCTIONS AND CONSOLIDATION

The House has inserted language prohibiting the use of funds appropriated in this act from being used to plan, implement, or administer (1) any reduction in the number of regions, districts, or entry processing locations of the U.S. Customs Service; or (2) any consolidation or centralization of duty assessment or appraisement functions of any offices of the U.S. Customs Service.

The Committee agrees with the House in principal that the Congress should be involved in final decisions as to the number of regions, districts, and processing locations of the Customs Service. However, the Committee does not agree that a wholesale prohibition is the answer to the problem.

It should be absolutely clear to the Department of the Treasury that the Congress intends to be involved in the decisionmaking process. The Committee has struck the prohibition, but makes it perfectly clear by this discussion that any plan by the Customs Service should include the following: (1) notification of the Committee of proposal; (2) notification of affected Members of Congress; (3) coordination and discussions with those Members of Congress; and (4) final approval of plan by the Committee.

It is to be noted the Committee expects complete consultation and coordination with the Members of Congress affected, so that local input is considered in the final decision. The Committee expects that the notification be issued so a reasonable time can be allotted to the discussion.

MARINE INTERDICTION PROGRAM

The Committee has recommended an additional $7,130,000 to establish marine drug interdiction modules in cities located in high risk drug trafficking areas along the eastern, southeastern, southern, and west coasts of the United States, including $830,000 to establish a marine module in New York State.

For the past 2 years the Customs Service has been developing a new comprehensive marine interdiction program designed to reduce the level of smuggling by vessels and improve the detection, sorting, tracking, and intercepting capabilities of marine units. The marine module concept integrates enforcement tactics and techniques, logistic, and maintenance requirements, and state-of-the-art technology. Each marine module consists of one supervisor, eight marine enforcement specialists, and one support staff. Replication of the marine module concept at specific target areas where drug smuggling is most acute will contribute significantly to more effective and efficient usage of enforcement resources. It is estimated that a 25-percent increase in both arrests of smuggling suspects and seizures of smuggling vessels will occur if these additional funds are provided to establish the marine interdiction module concept in these locations.

The Committee also directs the Customs Service, within the additional funding level provided for marine interdiction, to test the concept of using a tethered aerostat system for use as a communication, radar, and radio retransmission command control system for the marine program. The use of so-called small tethered aerostat radar systems (STARS) in the choke points off the Windward and Yucatan Passages has proven most successful in detecting and tracking suspect drug smuggling vessel traffic and the Committee believes that a land based small aerostat can be used equally effectively in a dual role capacity as both a radar surveillance system and communication network for the Customs marine program. The Committee expects to receive periodic written reports on the progress of the agency in developing this concept of using small mobile aerostat systems for enhancing the marine interdiction program's command, communication, and control systems.

COMMERCIAL FRAUD INVESTIGATIONS

The Committee continues to be deeply concerned over the growing problem of commercial fraud, particularly in the areas of textiles and steel imports.

The Committee notes that a recent report issued by the International Trade Commission estimates that in 1982, U.S. companies suffered nearly $5,500,000,000 in lost sales because of counterfeit foreign products. The ITC estimated in its report that this type of commercial fraud alone would cost about 131,000 jobs in the United States. The textile and steel industries have suffered similar job losses and economic detriment as the result of commercial fraud in those critical U.S. commodities.

Therefore, the Committee directs the Commissioner of Customs to devote no less than $7,500,000 within the total amount provided in this bill for commercial fraud activities for textile and steel import fraud investigations and enforcement. This level of funding would represent an increase of over 15 percent over the amount of funding targeted for textile and steel commercial fraud in fiscal year 1984. The Committee expects to receive periodic progress reports from the Commissioner of Customs on his efforts to crack down on commercial fraud, particularly in these two critical U.S. industries.

The Committee believes that the success of the task force concept has been very effective with drug interdiction. The Committee believes the concept could indeed be applied to the textile problem. Therefore, the Committee urges the Commissioner to utilize the task force adaptable concept as it can be used.

BORDER CONSOLIDATION

On March 5, 1984, the administration transmitted to Congress a proposal to consolidate the primary inspection and land patrol functions of the Immigration and Naturalization Service and the U.S. Customs Service. Under the administration's plan, responsibility for all airport and seaport passenger primary inspection processing would be transferred to Customs, and all land border points plus border patrol responsibilities would go to INS. The plan would result in a net gain of approximately 282 positions to INS, resulting from an exchange of various inspection and patrol personnel between INS and Customs.

The Committee strongly supports the concept of consolidating primary inspections at the U.S. border. In fact, the administration developed its proposal at the urging of Congress. Everyone agrees that the current two-stage entry process at the border is inefficient, annoys returning U.S. citizens and discourages foreign travelers from visiting this country.

However, a number of concerns still need to be addressed before the Committee will enthusiastically endorse the administration's plan. Questions still remain if INS agents, trained to handle immigration cases, have had enough specialized drug interdiction training to handle that law enforcement function, and if Customs agents have received sufficient training to handle immigration work. The Committee could not approve any proposal that would weaken our Nation's drug or immigration enforcement efforts.

Therefore, the Committee directs that the current administration primary inspection plan not be implemented in fiscal year 1985.

The Committee will work with the administration to resolve these issues. Specifically, the administration is requested to provide the following information:

—the respective abilities and resources of the INS and Customs Service to administer a vigorous effective narcotics interdiction effort at and between the land border ports of entry;

—the respective capabilities and resources of the INS and Customs Service to effectively administer vigorous enforcement of the various immigration laws and regulations currently under the jurisdiction of the Immigration and Naturalization Service, at and between the land border ports of entry;

—the respective capabilities and resources of the INS and Customs Service to effectively administer the various trade, cargo processing, and export-import laws, regulations and procedures at the land border ports of entry; and

—the respective capabilities and resources of the INS and Customs Service to effectively administer an efficient, effective, and improved passenger and passenger cargo facilitation effort both at the land borders and the airports and seaports.

The Committee will review any evidence the administration has on these points. The Committee is particularly interested in any studies done by other than the impacted agencies. If no such studies exist, the Committee recommends that the administration put aside the jurisdictional problems inherent in consolidation plans by commissioning credible outside reviews.

RETENTION OF IMPORT SPECIALIST POSITION IN PHOENIX, ARIZ.

The Committee recognizes the significant workload increases at the Phoenix, Ariz., port of entry and has directed the Commissioner of Customs to assign and maintain at least one full-time, permanent import specialist at Phoenix. Furthermore, the Committee directs that no shift of any import specialist positions from other Arizona ports of entry, including Nogales, Ariz., to Phoenix take place during fiscal year 1985 and that any additional import specialist slots at Phoenix be filled by new hires or through transfer from outside the State of Arizona.

The Committee believes that the workload statistics at Phoenix fully justify this directive. Total formal entries at Phoenix are up 39.1 percent over fiscal year 1983; collections are up by 60.5 percent; and clearance of full ocean containers are up a staggering 140.8 percent. The Committee also notes that employment in the export-import trade along the land border business communities in the State has prospered, with new jobs, new companies, and new opportunities being attracted to Phoenix in large numbers. The Committee believes that the physical presence of an import specialist in Phoenix to help handle the new infusion of trade in southern Arizona is a major factor in the commercial success being enjoyed in the State and urges Customs to make a full-time import specialist a permanent part of the Phoenix, Ariz., customs work force in fiscal 1985 and beyond.

MILWAUKEE, WIS., CUSTOMS OFFICE

The Committee in including language in this report that would prohibit the closing, consolidation, transfer, or merger of the Milwaukee, Wis., Customs office into another Customs district. The language also precludes the reduction of operations or personnel at the Milwaukee Customs office next year.

Last year the Committee resisted putting language in the bill to prevent the closing, or shift of personnel or functions at Milwaukee, under the assumption that the Customs Service would adhere to the directives contained in the Committee report accompanying the Treasury, Postal Service, and General Government appropriation bill, 1984. Specifically, the language in the report directed Customs not to close or shift personnel or functions at Milwaukee nor to relocate the office in fiscal year 1984 nor to decrease the current work force at Milwaukee. The Committee also directed the Commissioner of Customs to assign at least four full-time personnel to the Milwaukee Customs office, including at least one additional import specialist to help alleviate backlogs at the office. The Committee asked for a report from the Commissioner as to how these directives would be implemented.

The Committee is deeply concerned that Customs has virtually ignored all of these directives outlined in the report last year. The Customs Service has proceeded with a plan to merge the Milwaukee, Wis., Customs office into the Minneapolis district and to downgrade Milwaukee to a secondary port of entry. Customs has not assigned any additional personnel to Milwaukee as mandated by the Committee. The Commissioner of Customs has failed to report to the Committee on any of these matters and has taken no steps to bolster the work force at Milwaukee. Therefore, in view of the agency's apparent disregard for the Committee's instructions last year, the Committee has proposed language to force the Customs Service to restore the Milwaukee, Wis., Customs office to the status of primary port of entry; maintain its independent status from the Minneapolis district; and to increase the import specialist presence at the port. Specifically, the Committee once again directs the Commissioner of Customs to assign no fewer than four full-time personnel, above and beyond current work force levels, to the Milwaukee Customs office including at least one additional import specialist. The Commissioner is directed to report back to the Committee by no later than 30 days after the enactment of fiscal year 1985 funding authority for the Customs Service, outlining in detail how the agency intends to implement the Committee's directives and instructions in this report.

CUSTOMS STAFFING AT NOGALES, ARIZ.

The devaluation of the peso and other economic difficulties indigenous to the United States-Mexican border continue to plague the State of Arizona, New Mexico, and other Southwestern border States. Particularly hard hit by the economic ills of the Southwest has been the city of Nogales, Ariz. As the economy in the country improves and the prospects for rejuvenation of the commercial markets along the Southwest border towns improve, the Committee believes that it is incumbent upon the U.S. Customs Service and other border enforcement agencies to provide adequate staffing to facilitate the flow of legitimate commercial traffic into Nogales, Ariz., and other border towns, especially during peak business periods.

The city of Nogales has been particularly hard hit by a lack of sufficient Customs and INS personnel at the ports of entry during holidays, weekends, and other peak business periods, when the volume of retail store customers is heaviest. The Committee believes that the shortfall in staffing at the critical checkpoints in and around Nogales could cause a serious setback to the economic recovery in the region. Therefore, the Committee directs the Commissioner of Customs to assign a sufficient number of personnel to the Nogales, Ariz., border checkpoints on weekends, holidays, and other peak business periods to assure that legitimate, properly documented business customers are efficiently inspected and allowed to shop in Nogales and neighboring communities.

CUSTOMS INSPECTORS IN HAWAII

The Committee has been advised that serious deficiencies in the U.S. Customs inspector work force in Hawaii has set back the State's effort to combat the growing drug trafficking problem on the islands, especially through the Honolulu International Airport and the State's seaports. Therefore, the Committee directs that of the positions provided to the U.S. Customs Service in this bill, no fewer than 24 additional Customs inspectors shall be assigned to Hawaii in addition to the number of inspectors in that State as of January 1, 1984, to assist in Hawaii's drug interdiction efforts. This is designed to restore personnel reductions experienced in fiscal year 1984. These additional positions will also help in implementing the Committee's directive to establish a drug enforcement task force in Hawaii in fiscal year 1985.

CHARLESTON, W. VA., CUSTOMS OFFICE

The Committee believes that the port of Customs office in Charleston, W. Va., is an important facility both to the State of West Virginia and the Nation and should be maintained in tact in fiscal year 1985. The Committee further directs that no effort be made to close or reduce the operations of this office, in accordance with the directives contained in this report regarding the closing, consolidation, transfer, merger, or personnel reductions affecting Customs offices, regions, and districts.

BRIDGEPORT, CONN., CUSTOMS DISTRICT

The Committee directs that the Bridgeport, Conn., Customs office should remain a district Customs office. This Customs district is important to both the State of Connecticut and the Nation and shall be maintained intact in fiscal year 1985. The Committee further directs that no effort be made to close or reduce the operations of this office as either a district office or a port of entry, in accordance with the directives contained in this report regarding the closing, consolidation, transfer, merger, or personnel reductions affecting Customs offices, regions, and districts.

VERMONT CUSTOMS DISTRICT

The Committee believes that the Vermont Customs District should remain as a freestanding district rather than be consolidated into another district in fiscal year 1985.

The Committee notes that the number of entries processed by the Vermont District has more than doubled from 53,120 in 1977 to 109,838 in 1983 and that the duty collected has increased from $13,700,000 to $24,700,000 over that period. Projections are that 120,000 entries will be processed in 1984 and $27,000,000 collected in the Vermont District.

Therefore, the Committee directs that no effort be made to close or reduce the personnel or operations of the Vermont District during fiscal year 1985.

PORT OF PALM BEACH

The south Florida task force has proved very successful in suppression of illicit drug traffic in Florida. The task force covers Florida and its coastal waters. A concentrated effort in the Miami area has led to a successful interdiction of drugs. Successful efforts, unfortunately, have a downside. Traffickers move somewhere else.

The Port of Palm Beach is a good example. Several large seizures have been made recently. It indicates trafficking patterns are changing. The drug traffic, plus increased cargo processing, indicate increased Customs activity is warranted. The Committee, therefore, urges that the Commissioner consider assigning two additional agents to the Port of Palm Beach.

PAYMENT OF 1911 OVERTIME

The Customs Service is currently operating under a provision which limits the amount of overtime payable to $20,000 per employee per year. For fiscal year 1984, the Committee concurred with the House in establishing an overtime cap of $25,000 with language granting authority to the Commissioner to exceed this limitation in extraordinary, specific, individual cases where a waiver of the ceiling is deemed to be essential to the Customs mission. The Committee expects the Commissioner to report to the Committee on a quarterly basis with a compilation of those instances where the overtime cap was exceeded, including a description of the mission involved that led to the waiver, and the amount of money, if any, that was saved by paying the extra overtime versus moving other Customs personnel to handle the assignment in question. The information on the following pages explains the conditions under which 1911 overtime is paid.

Customs overtime laws, 19 United States Code 261, 267, and 1451 and 49 United States Code 1741(e), are more commonly referred to as "1911 overtime" since the original overtime law was enacted on February 13, 1911. The laws require that Customs officers be paid extra compensation for services performed on Sundays and holidays, or outside regular hours of duty on weekdays. These same laws require that the Government be reimbursed for the cost of these services by the parties requesting them; except, pursuant to statutory amendments, when the services are performed in connection with highway, bridge, tunnel, and ferry operations at our borders with Canada and Mexico or at airports on Sundays and holidays during the hours of 8 a.m. and 5 p.m.

The following information explains the basic rates for the computation of 1911 overtime earnings on weekdays and Sundays and holidays. Also cited are specific examples of various types of assignments and the pay commensurate with those assignments. It should be pointed out that the payment of Customs overtime is based upon periods of time worked rather than hours worked and thus results in a more complex system of payment.

WEEKDAYS (MONDAY THROUGH SATURDAY)

The rates are fixed at one-half day's pay (4 hours) for each 2-hour period or fraction thereof of at least 1 hour for overtime from 5 p.m. to 8 a.m. during the week; but cannot exceed 2½ day's pay for the full period, 5 p.m. to 8 a.m.

Examples:

1. If an importer requests the services of an employee to obtain (enter) his merchandise at 5 p.m. and the employee, whose regular tour of duty ends at 5 p.m., completes the assignment at 7 p.m., the employee will receive 4 hours (one-half day) pay for 2 hours of work.
2. If the same employee completes the assignment after 7 p.m. but before 8 p.m., the inspector will receive the same 4 hours pay for the more than 2 hours of work. The employee cannot be paid for the second period of work; that is, 7 p.m. to 9 p.m., until he has worked at least 1 hour into the period (to at least 8 p.m.).

The act also provides for what is commonly referred to as "call-back" compensation. This is paid, in addition to the hours worked, when a Customs officer has completed his normal tour of duty and is called back to work an overtime assignment. There are two methods of compensation.

One. An employee whose overtime begins before the expiration of the first 4 hours of the night is compensated from the beginning of the night to the conclusion of the service.

> Example: If an employee whose regular tour of duty ends at 5 p.m. is called back for an overtime assignment to begin at 7 p.m., he will be paid as if he began the assignment at 5 p.m. Thus, if the 7 p.m. assignment ended at 9:30 p.m., the employee would receive 4 hours pay for the 2-hour period between 5 p.m. and 7 p.m. plus 4 hours pay for the 2½ hours actually worked in the period between 7 p.m. and 10 p.m.

Two. An employee whose overtime begins after the first 4 hours of the night or before the last 2 hours of the night is compensated for his assignment, plus 4 hours.

Example: If an employee whose regular tour of duty is between 8 a.m. and 5 p.m. is called back for an overtime assignment beginning at 3 a.m. and ending at 4:45 a.m., he will receive 4 hours pay for the period of work between 3 a.m. and 5 a.m., plus 8 hours pay (2 periods) for being called back.

SUNDAYS AND HOLIDAYS

The rates are 2 days' pay for overtime services up to 8 hours within the 24 hours of a Sunday or holiday and one-half day's pay for each 2-hour period, or fraction thereof, of at least 1 hour of overtime beyond 8 hours. The total compensation during any Sunday or holiday cannot exceed 4½ days' pay.

Examples:

1. Almost 90 percent of the assignments at major airports and almost 100 percent of the assignments at land border ports on a Sunday or holiday are on a shift basis. In these situations, the employees are receiving 16 hours pay for 8 hours work.
2. Customs policy is to have the employees available for 8 hours from the start of their first assignment on a Sunday or holiday for any and all other assignments which may occur during the 8-hour period. If an employee is assigned to board a vessel at 6 a.m. on a Sunday and completes the assignment at 8 a.m., the employee receives 16 hours pay for 2 hours of work. If there are any other assignments between 8 a.m. (the end of the first assignment) and 2 p.m. (the end of the 8 hours), then the same employee will also be assigned to perform those duties with no additional compensation.
3. An employee who continues to work beyond an 8-hour tour on a Sunday or holiday is compensated at the same rate applicable at night on a weekday; for example, an employee who works between 8 a.m. and 6 p.m. on a Sunday would receive 16 hours of pay for the 8 hours between 8 a.m. and 4 p.m., plus 4 hours' pay for the 2-hour period 4 p.m. to 6 p.m.

CUSTOMS TRAINING

The Committee is most pleased with the actions taken by the U.S. Customs Service (on its own and in conjunction with the Department of State) in training customs personnel from foreign nations. This training has proven valuable in assisting U.S. efforts to stop drugs and counterfeit goods at the source. The Committee urges that this practice be continued and, if possible, expanded.

FACILITATION OF INTERNATIONAL AIR CARGO

In the interest of developing the most cost-effective system, more effective law enforcement, and improved facilitation of international air cargo, the Committee directs the U.S. Customs Service to coordinate and standardize all plans now underway to computerize the processing of international air cargo.

PRECLEARANCE

The Committee supports and encourages the extension of preclearance, the inspection of passengers prior to departure to the United States from foreign countries.

MACHINE READABLE PASSPORTS

In the interest of the facilitation of international travelers and greater efficiency, the Committee urges full funding for the extension of machine readable U.S. passport systems to all gateway airports within 5 years.

ONE-STOP INSPECTION

Passenger facilitation at airports is a very important issue. The Committee believes every effort should be made to implement one-stop accelerated specialized inspection, such as now employed at Los Angeles International Airport. The Committee, therefore, directs that Customs proceed with the steps necessary to bring one-stop inspection online at U.S. airports at the soonest possible date.

SAN FRANCISCO LABORATORY

Import fraud is a growing problem for the United States, particularly as the Government has turned to temporary quotas in order to help domestic industries compete with unfairly traded products. Foreign competitors, determined to get their products into the U.S. market, have become more willing to accept the risks involved in circumventing U.S. Customs procedures. Their illegal activities have violated U.S. trade law, undermined international agreements, and damaged industries, including steel and textiles, which have already been harmed by a wide array of unfair trade practices. Unfortunately, in the midst of congressional demands for more vigorous enforcement of U.S. trade laws and the prosecution of violators, Customs has begun to cut support to its technical services charged with the determination of import fraud. The San Francisco laboratory is one of only two on the west coast. It has considerable work. The Committee, therefore, directs that no action be taken to close or consolidate this office during fiscal year 1985.

OPERATION AND MAINTENANCE, AIR INTERDICTION PROGRAM

1984 appropriation to date	$31,000,000
1985 budget estimate	[1] 32,070,000
House allowance	
Committee recommendation	44,425,000

[1] The original budget request of $17,070,000 was increased by transfer from the Internal Revenue Service request pursuant to H. Doc. 98–218 dated May 8, 1984.

The Committee recommends an appropriation of $44,425,000 for operation and maintenance expenses of the Customs air interdiction program. This is $12,355,000 more than the total amount requested for air program activities in fiscal year 1985. The House did not provide funding for the air interdiction program.

The operation and maintenance, air interdiction account was first established in fiscal year 1983 in the Emergency Jobs Supplemental Appropriation bill, 1983 (Public Law 98–8) when the first appropriation for the P–3A air surveillance platform program was provided. The Committee continues to believe that this program should be funded in a separate appropriation account and applauds the administration and the House for concurring in the establishment of this account as a regular line item account in fiscal 1985.

The operation and maintenance, air interdiction program account covers these expenses incurred by the Customs Service for operating and maintaining the aircraft, radar, equipment, and facilities necessary to carry out the successful mission of the air interdiction program. This account also includes training, some equipment procurement, leasing, and special operations either directly or indirectly associated with the air interdiction program. This account also covers the essential costs associated with operating and maintaining the Army, Navy, and Air Force aircraft and equipment that has been and will continue to be loaned to Customs for use in its air interdiction program. Currently, the Customs Service has on hand four Army UH–60 Blackhawk helicopters, four Army Cobra helicopters, and a Navy P–3A surveillance aircraft being retrofitted with an F–15 Air Force combat radar. The Customs Service will be receiving an additional three P–3A aircraft in fiscal year 1985 and two more P–3A aircraft in fiscal 1986. The funding in this account also covers the cost of a new aerostat radar surveillance system to be located in the Caribbean for drug trafficking radar surveillance.

The Committee is pleased that the administration revised its initial budget request for the air program and increased the total budget for operation and maintenance, air interdiction program to the current estimate of $32,070,000. The original estimate of $17,070,000 was supplemented by $15,000,000 when a request for additional funding from the Department of Defense for O&M was turned down. Despite this enhanced budget estimate, the Committee believes that additional resources are absolutely required in order to properly operate and maintain the current fleet of military aircraft and equipment on loan to Customs and to prepare for the arrival of the P–3 aircraft with F–15 radar in fiscal year 1985. The administration's estimate does not provide for operation and maintenance funding for followon P–3A aircraft nor does it provide sufficient funding to cover the cost of operating and maintaining the new interceptor/tracker high performance turboprop aircraft which were funded in the urgent supplemental appropriation bill, 1984. Without the level of funding recommended by the Committee, a number of critical drug enforcement elements of the air interdiction program would have to be halted, including the aerostat surveillance system in the Caribbean, the lease of the four Cessna interceptor aircraft procured in fiscal 1984, the regional operations control centers at Tyndall Air Force Base and March Air Force Base, and the construction of the critical two-bay hanger project for the P–3's at New Orleans, La. In recommending $44,425,000 for the air interdiction program next year, the Committee believes that a sufficient funding base should be established to assure the Customs Service and the Nation that the resources required to conduct a full-scale war on the airborne drug trafficker will be available for this important national drug effort.

Therefore, the Committee has recommended a total appropriation of $44,425,000 for operation and maintenance, air interdiction program and directs that funding for the program be allocated as shown in the following table:

Operation and maintenance, air interdiction program

Regular air program (Includes $1,950,000 for special operations including Operation Florida)	$14,400,000
Travel	(700,000)
Transportation	(150,000)
Utilities, communications, and rent	(800,000)
Contract services	(8,500,000)
Fuel and supplies	(3,400,000)
Equipment	(850,000)
Support of military assets turned over to Customs Service:	
Operation and maintenance, four Blackhawk helicopters and four Cobra helicopters (assumes $700 per flight hour, 60 hours per month, all eight helicopters full fiscal year)	4,100,000
Operation and maintenance, two additional Blackhawk helicopters to be received from DOD in fiscal year 1985	1,025,000
Operation and maintenance, P-3A aircraft with F-15 radar (assumes one P-3A prototype with radar for full fiscal year at $2,700 per flight hour, 56 hours per month)	1,900,000
Operation and maintenance on the second, third, and fourth P-3A aircraft with F-15 radar to be modified and delivered to Customs by Navy in fiscal year 1985	3,600,000
Additional modifications on second, third, and fourth P-3A's including IRDS package, et cetera	3,000,000
APG-63/F-15 radar long lead time procurement of seventh radar	2,000,000
New Orlenas, La., two-bay hangar for the P-3A	2,000,000
Miscellaneous spare parts	600,000
Other air interdiction activities:	
Lease/purchase aerostat surveillance radar system T-COM in Bahamas	4,000,000
Regional operations control centers, Tyndall AFB and March AFB	1,000,000
Lease, four Cessna Citations, fiscal year 1985 costs	2,300,000
Operation and maintenance, leased Citations	2,000,000
Operation and maintenance, new purchased interceptor/tracker aircraft (purchased with funding provided in urgent supplemental appropriation bill, 1984) (six to eight)	2,000,000
APQ-153 modified airborne radars to be installed on Cessna 404's and others (four)	500,000
Total, operation and maintenance, air interdiction program	44,425,000

The Committee fully expects the Customs Service to follow the directives outlined in the table and paragraph above regarding the allocation of the operation and maintenance resources in fiscal year 1985. However, as was the case last year, should circumstances change during the course of the fiscal year and opportunities arise for air interdiction enhancements not previously envisioned by the Committee or the Customs Service, and should a reallocation or adjustment to the directed funding levels be required to take advantage of such opportunities, the

Commissioner is expected to notify the Committee in writing of such developments and fully justify in detail any reallocation of resources within the total appropriation for operation and maintenance recommended by the Committee.

The Committee notes that the appropriation language contained in the bill should not be interpreted or viewed in any way as a limitation on the authority of the U.S. Customs Service to acquire aircraft by means other than commercial purchase. Furthermore, the Committee reconfirms the intent of the Congress in prior years that the Customs Service is authorized to acquire aircraft through means such as seizure for violations of law and by transfer from other agencies. The Committee has included language in the bill granting such authority to Customs to continue acquiring seized aircraft that have been confiscated as a result of legal action against a violator of Customs laws and to acquire aircraft and equipment from other Federal agencies, including the Department of Defense.

NEW ORLEANS, LA., P-3 TWO-BAY HANGAR

The Committee is pleased to note that the agency has begun planning for the construction of a two-bay hangar complex and renovation of its existing air support branch at New Orleans. The Committee directs the agency to accelerate its construction timetable for completion of this critical P-3 basing facility by no later than the end of fiscal year 1986. The Committee notes that a total of six P-3A aircraft will be in the Customs inventory by 1986 and this crucial maintenance facility should be completed in advance of delivery of the final P-3's from the Navy. The Committee expects to receive periodic written reports on the progress of construction of this important project in New Orleans. The Committee has included an appropriation of $2,000,000 to continue work on this crucial P-3A facility.

NEW YORK AIR SUPPORT BRANCH

The Committee believes that the increasing air drug smuggling threat in the New York area merits the establishment of a Customs air support branch in New York. Therefore, the Committee directs the Commissioner of Customs, within the funds available in this bill, to begin the process of establishing an air support branch in New York. The Committee expects to receive full written reports during fiscal year 1985 on the agency's progress in selecting a location for the air support branch and in developing both an operational and logistical plan for bringing this new air support branch online by fiscal year 1986.

JACKSON, MISS., C-12 MAINTENANCE FACILITY

The Committee notes that the Customs Service is scheduled to receive additional C-12C aircraft on loan from the Army in fiscal year 1985. These additional aircraft would be equipped with sensors and radar to augment the existing Customs air interdiction tracking force and the new interceptor/tracker aircraft provided in the urgent supplemental appropriation bill, 1984 (H.J. Res. 492).

The Committee believes that the Customs Service would be well-advised to take advantage of the capabilities of the C–12 Maintenance Facility in Jackson, Miss., to handle all depot and unscheduled maintenance for the C–12's which will be turned over to Customs next year. This facility is the major depot maintenance facility for C–12's for the Army and the Committee believes that it should be used by Customs, on a space-available basis, for depot maintenance for its C–12's. Should the Army C–12's come on line as planned in fiscal year 1985, Customs will be expected to give serious consideration to using the Jackson, Miss., C–12 facility and keep the Committee abreast of its plans to utilize it for C–12 maintenance next fiscal year.

NATIONAL NARCOTICS BORDER INTERDICTION SYSTEM

The National Narcotics Border Interdiction System (NNBIS) was announced by the President in March 1983 in an attempt to create a coordinative mechanism to enhance the war on drugs. By naming the Vice President to head NNBIS, the President gave clear emphasis to his determination to eliminate the turf wars which had characterized previous interagency cooperative drug interdiction efforts. NNBIS is staffed by personnel who are donated by participating agencies, such as Customs, Coast Guard, DEA, and DOD.

While the Committee wholeheartedly supports and applauds the concept of coordination which is embodied in NNBIS, we are aware of problems which have impeded this coordinative effort. One immediate problem is that there has been no mission statement drafted which clearly defines the authorities and responsibilities of this new system in the drug interdiction field. Lacking such a document, other agencies (whose missions have been carefully defined) are sometimes at a loss for guidance in their interactions with NNBIS. Further, there are no guideposts against which the performance of NNBIS can be measured by its management or by the Congress.

For these reasons, the Committee directs that a mission statement be prepared for NNBIS by January 30, 1985, which defines with specificity its purpose, its authorities, and its relationship to other enforcement and intelligence agencies.

The Committee stands ready to be of whatever assistance it might be in the preparation of this important mission statement.

BUREAU OF THE MINT

SALARIES AND EXPENSES

1984 appropriation to date	$49,000,000
1985 budget estimate	47,758,000
House allowance	
Committee recommendation	47,758,000

The Committee recommends an appropriation of $47,758,000 for the salaries and expenses of the Bureau of the Mint. The House did not fund the mint for fiscal year 1985.

The Bureau of the Mint manufactures coins, receives gold and silver bullion, safeguards the Government's holdings of monetary metals, and refines gold and silver bullion. The manufacture of domestic coins is the major activity of the Mint. Coins are ordered from the Mint by the Federal Reserve Banks in quantities required for the country's business transactions. Thus, the volume of the coinage program is determined by the public need for coins. Funds requested in this budget will permit for production of approximately 19.1 billion coins in fiscal year 1985.

BUREAU OF PRINTING AND ENGRAVING

The Bureau of Printing and Engraving, the world's largest securities manufacturing establishment. The operations of the Bureau are currently financed by means of a revolving fund. This fund is reimbursed by other Government agencies for the direct and indirect cost of the Bureau, including its administrative expenses, incidental to performing the work or services requisitioned.

Public Law 95–81, July 31, 1977 (31 U.S.C. 181a) increased the Bureau's fund, and additionally authorized the establishment of reimbursement prices from customer agencies at a level which will provide funding for the acquisition of capital equipment and future working capital. This should preclude future requests for appropriations.

The Bureau designs, manufactures, and supplies most of the major evidences of a financial character issued by the United States. It is the sole source of U.S. currency, various public debt instruments, as well as most other evidences of a financial character issued by the United States, such as postage and internal revenue stamps. The Bureau executes certain printings for various territories administered by the United States, particularly postage and revenue stamps. It conducts extensive research and development programs for improving the quality of products, reducing manufacturing costs, and for strengthening deterrents to the counterfeiting of Government securities. It manufactures inks and plates used for its products; purchases materials, supplies, and equipment; provides maintenance services for its buildings and plant machinery and equipment; and stores and delivers its products in accordance with requirements of customer agencies. The Bureau is responsible for the accountability and destruction of its security waste products. The Bureau also renders services to other Government agencies such as security, custodial, and elevator services in areas of one of its buildings occupied by another Treasury bureau.

The total cost of sales and services is approximately $166,000,000 in 1984 and $187,000,000 in 1985, as compared with $150,000,000 in 1983.

The budget estimates are determined primarily by two factors; namely, (1) the volume of production of the various items needed to meet the estimated requirements of customer agencies, and (2) the unit cost of manufacturing each type of item produced. The unit cost of production of each item manufactured is developed through a detailed system of cost accounting, and adjusted to reflect all known factors which will affect the cost of production during the current and budget years. Such factors include pay rate and material price increases expected to occur during the current year, as well as estimated savings resulting from improvements in production procedures.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

1984 appropriation to date	$196,427,000
1985 budget estimate	197,955,000
House allowance	197,955,000
Committee recommendation	197,955,000

The Committee recommends an appropriation of $197,955,000 for the Bureau of the Public Debt.

The Bureau of the Public Debt is responsible for administering the laws and regulations pertaining to public debt financing and operations within the framework of policies established by the Secretary of the Treasury. The Bureau's primary concerns are with the issuance, servicing, and retirement of public debt securities, and accounting for the public debt and its related interest cost. It also has a general responsibility for the conduct or direction of transactions in public issues of those Government agencies for which the Treasury acts as agent.

SAVINGS BOND DIVISION

The mission of the U.S. Savings Bonds Division is to reduce Federal spending by promoting the sale and retention of U.S. savings bonds. In addition to helping the U.S. Government finance its debts in the least expensive and least inflationary way possible, savings bonds provide Americans with an effective, systematic way to save through the payroll savings plan. The program is also intended to create a partnership of direct participation of American business. labor, banking, media, and community groups, as well as to provide the opportunity for all citizens to voluntarily participate in the financing of their Government.

During fiscal year 1984, a major effort was made by the Savings Bonds Division to communicate the facts and the benefits of the new market-based rate structure to present bond owners, key decisionmakers affecting potential sales, and potential bond buyers. Significant steps, including implementation of a consumer survey, have been taken to determine public awareness of savings bonds and the new rate structure, leading to more effective public communication, and to establishing an ongoing program of market research and program development. These successful program efforts will continue in fiscal year 1985 as the Division concentrates on achieving the greatest possible sales growth by focusing on improving payroll savings and over-the-counter sales on the strength of the improved rate structure.

Since enactment of the Tax Equity and Fiscal Responsibility Act of 1982, activity within the Savings Bond Division has been significantly altered. Bonds are now available at a variable, market-based interest, making them competitive with commercial offerings. This change has reduced the number of redemptions significantly.

PARKERSBURG, W. VA., FACILITY

The Parkersburg facility handles a considerable number of U.S. savings bond transactions. The Treasury Department has been reviewing the possibility of moving some of the Washington-based functions to Parkersburg in coming years. It appears that the availability of space and the available work force would make this move feasible. The Committee, therefore, directs the Department to accelerate and expedite the review of the relationship between the work force at Parkersburg and the work force at headquarters with a view to shifting functions to the Parkersburg facility to make maximum use of existing space and staff and report back to the Committee by January 20, 1985.

INTERNAL REVENUE SERVICE

SALARIES AND EXPENSES

1984 appropriation to date	$99,800,000
1985 budget estimate	104,687,000
House allowance	104,687,000
Committee recommendation	102,000,000

The Committee recommends an appropriation of $102,000,000. The Committee recommendation is $2,687,000 below the budget request and House approved level.

This appropriation was originally proposed for elimination by the administration; however, the Committee agrees with the House that its retention is necessary to provide continued review of the IRS's executive direction.

That direction includes the Office of the Commissioner and staff associated with establishing the policies and objectives of the IRS and for directing tax administration. Management services are also included as a part of this account.

IMPLEMENTATION OF BROKER RETURN REGULATIONS

The Committee reiterates in the strongest manner, its concern, as explained in its report of July 20, 1983, that regulations issued by the Internal Revenue Service (IRS) relating to section 6045 of the Internal Revenue Code and amended in the Tax Equity and Fiscal Responsibility Act of 1982, Public Law 97-248, incorrectly interpret the scope of the law.

The Committee again urges that the final regulations be revised to be mindful of the intent of Congress when this section was amended: namely, it was the intent of Congress to require brokers trading commodity futures contracts to report in a manner similar to stockbrokers, thus facilitating enforcement to assure all taxes that may be due by individuals are paid.

The Committee feels that it is inappropriate for the IRS to consider persons acting not as middlemen but for themselves as brokers. Specifically, coins or bullion dealers purchasing for their inventory and farmers purchasing livestock or grain from other farmers for their own use should not be considered brokers and should not be forced to report all their individual purchases to the IRS.

If the IRS continues its present position, resulting in the expenditure of appropriations for the administration of an incorrect interpretation of law, the Committee will have no recourse but to reconsider the general appropriation needs of the IRS.

PROCESSING TAX RETURNS

1984 appropriation to date	$929,000,000
1985 budget estimate	[1] 992,457,000
House allowance	992,457,000
Committee recommendation	972,457,000

[1] The original budget request of $1,002,457,000 was reduced by $10,000,000. This $10,000,000 request was transferred to the customs air interdiction program request pursuant to H. Doc. 98–218 dated May 8, 1984.

The Committee recommends an appropriation of $972,457,000, a reduction of $20,000,000 below the fiscal year 1985 request and the House figure.

Funds in this appropriation are used for processing tax returns, accounting for tax revenue, issuing notices and refunds, and processing information returns for the document-matching program. The computer service provides developmental assistance to modernize the mainline system.

EXAMINATIONS AND APPEALS

1984 appropriation to date	$1,232,000,000
1985 budget estimate	1,357,073,000
House allowance	1,357,073,000
Committee recommendation	1,350,000,000

The Committee recommends an appropriation of $1,350,000,000 for examination and appeals activities in fiscal year 1985, which is $7,073,000 below the budget estimate and the House total.

The examinations and appeals appropriation provides resources to examine tax returns and to administratively settle taxpayer appeals of the examination findings. Examinations and appeals play a central role in the continued effectiveness of our self-assessment tax system and the fair and equitable application of the tax laws. The Service must examine taxpayers' books and records to determine the correctness of taxpayers' returns. In those instances where the taxpayer disagrees with examination findings, the appeals program provides an independent administrative review. The objective is to reach an impartial settlement, fair to the taxpayer and the Government, without the necessity of litigation.

The appropriation also provides independent administrative review of contested assessments and represents the IRS in the litigation process. Under the approved realinement, this account now includes the employee plans and exempt organizations activities which previously has been included in the investigations and collections appropriation.

INVESTIGATIONS, COLLECTIONS, AND TAXPAYER SERVICE

1984 appropriation to date	$1,004,000,000
1985 budget estimate	[1] 1,062,642,000
House allowance	1,081,142,000
Committee recommendation	1,060,000,000

[1] The original budget request of $1,067,642,000 was reduced by $5,000,000. This $5,000,000 request was transferred to the customs air interdiction program request pursuant to H. Doc. 98-218 dated May 8, 1984.

The Committee recommends an appropriation of $1,060,000,000 for investigations and collections activities in fiscal year 1985. The Committee recommendation is $2,642,000 below the budget request and $21,142,000 below the House figure

The account includes funds for the following four activities—tax fraud investigations, collection, taxpayer service, and enforcement litigation and rulings. The tax fraud investigations activity is responsible for enforcement of criminal statutes relating to violation of internal revenue laws. The collection activity provides for collecting unpaid accounts, as well as securing unfiled tax returns and payments. The taxpayer service provides information and assistance to taxpayers to assist them comply with the tax laws. Enforcement litigation and rulings provides legal support for the IRS. Taxpayer service has been included in this restructured account, while employee plans and exempt organizations has been transferred to the examination and appeals appropriation.

TAX COUNSELING FOR THE ELDERLY

The Committee believes the TCE program has been most successful. The Committee, therefore, directs that $2,000,000 in grants be provided for the program and that the $700,000 requested for administrative costs now being charged to the program be absorbed within existing funds, so the entire $2,000,000 can be devoted to program requirements.

PAYMENT WHERE ENERGY CREDIT EXCEEDS LIABILITY FOR TAX

1984 appropriation to date	$200,000
1985 budget estimate	100,000
House allowance	100,000
Committee recommendation	100,000

The Committee concurs with the House in recommending the budget request of $100,000 for payment where energy credits exceed liability for tax.

The Energy Tax Act of 1978 authorized a solar-wind business energy credit beginning October 1, 1978. As provided by law, there will be instances where a solar-wind business credit will exceed the amount of tax liability owed, resulting in a payment to the filer. This account provides for those funds which are required to make payments to businesses when the solar-wind credit exceeds the amount of tax liability owed.

IRS FUNDING PRIORITIES

The Committee has reduced the IRS budget estimate by $28,607,000. The reduction is applied to all accounts. The Committee believes savings can be made through management initiatives, travel adjustments, and other low-priority plans. It is to be understood that the Committee remains a staunch supporter of continued upgrade of automatic data processing capabilities and new tax collection initiatives. These are important activities and the reductions should not be applied here.

PENALTY FOR FRIVOLOUS RETURNS

When Congress passed the Tax Equity and Fiscal Responsibility Act of 1982 (Public Law 97–248), section 326 gave the IRS the authority to immediately assess a fine of $500 on taxpayers who file returns which fail to contain the necessary information from which the amount of tax on the return can be calculated or a return which contains information indicating an incorrect amount of tax owed. Congress intended that the IRS use the authority to combat frivolous delays or impediments to the administration of the income tax law.

It is the intent of Congress that the fine be imposed on a taxpayer who gives insufficient information to calculate the tax or gives information that is clearly inconsistent.

The Committee believes that Congress did not intend for the IRS to use this authority to prosecute or fine taxpayers who write in the margins of their tax returns. Nor was it Congress' intent that the authority be used when simple protests are made on the tax return. Most importantly, the Committee feels that Congress did not intend to give this authority to the IRS as a convenience to fine any taxpayer for simply making comments or questioning the methods used by some Government officials. In fact, Congress did not intend for this authority to be used against a taxpayer showing the correct tax due yet refusing to pay. Regular procedures are to be followed.

The Committee stresses that this incorrect interpretation of the law by agents must cease immediately. The Committee urges that immediate action be taken by the Administrator of the IRS to correct the problem and insure that agents are interpreting the law correctly.

U.S. SECRET SERVICE

SALARIES AND EXPENSES

1984 appropriation to date	$294,555,000
1985 budget estimate	275,731,000
House allowance	278,331,000
Committee recommendation	286,500,000

The Committee recommends the appropriation of $286,500,000 for the U.S. Secret Service. The Senate proposal is $10,769,000 over the budget estimate and $8,169,000 above the House reported figure.

The Secret Service is responsible for protection of the President and other officials, investigating counterfeiting of currency and check forgeries, and protection of the White House and other buildings in Washington, D.C.

The Service is a labor-intensive organization whose special agent personnel have the dual responsibilities of guarding the lives of this country's highest public officials, world leaders, and taking action against those who would undermine the Nation's currency and securities. The Secret Service is preparing to take on, and in recent years has taken on, additional investigative responsibilities, notably those related to electronic funds transfer, computer fraud, credit and debit card fraud, and food stamps fraud, and has had a very significant increase in investigations related to protective intelligence matters along with the requirement to provide protection in an ever-escalating climate of global terrorism.

The Committee recognizes that it provided authority for the Secret Service to hire 175 additional special agent personnel and 100 support personnel over and above the administration's request during fiscal year 1984. The Committee is most concerned that all of those positions were not filled. The problem has been compounded further because the fiscal year 1985 request does not include adequate funding for those positions. The Committee is now authorizing $10,769,000 to enable the Secret Service to fully fund 225 positions of those positions in fiscal year 1985, of which 140 are special agent personnel and 85 are nonagent support personnel, for a total of 4,325 permanent positions authorized for the Secret Service.

In order to insure the continuation of the excellent record of the Secret Service and prevent any future shortages of agent and support personnel in meeting the rigors of the mission mandates and to provide a renewable base of recruitment for staffing protective details, the Committee authorizes this staffing level. Special agent personnel assigned to the field offices are required to work excessive amounts of overtime because of a shortage of personnel and this occurs during noncampaign years. During campaign years these personnel necessarily work even more overtime hours.

In view of these circumstances and significant new investigative jurisdiction assumed by the Secret Service, this Committee believes 4,325 authorized permanent positions are necessary so that they can adjust to an efficient staffing level for noncampaign years and campaign years.

JAMES J. ROWLEY TRAINING CENTER

The Committee has not provided funding at this time for further improvements at the James J. Rowley Training Center. This, however, does not mean the Committee is reversing its continued support for upgrading the training facility. The mission of the Secret Service demands first-class training and the Committee is committed to that end. In keeping that commitment the Committee directs the Department to continue a consistant development program.

DEPARTMENT OF THE TREASURY

GENERAL PROVISIONS

The Committee has retained all of the sections contained in the House bill and added six new sections.

SEC. 105. Provides the Secretary with a 2-percent transfer authority within Treasury accounts upon approval by the Committees.

SEC. 106. Allows collections of duties due the Treasury within 25 days of importation of goods. If determination is made that duty is excessive, the Treasury would repay with interest equal to payment accorded any like overpayment.

SEC. 107. Repeals capitalization limitation.

SEC. 108. Exempts custom gun makers from excise tax regulations if they produce less than 50 firearms per annum.

SEC. 109. Prohibits application of Office of Inspector General's oversight authority to U.S. Customs Service, Secret Service, and Bureau of Alcohol, Tobacco and Firearms.

SEC. 110. The Committee has included language in the bill which would prohibit the Internal Revenue Service from promulgating, implementing, or enforcing regulations which would tax copper, lead, and zinc byproducts for the Superfund. This identical provision is contained in the pending tax bill which is currently stalled in conference with the House. The Committee believes that this important provision should be included in this bill to assure its final enactment into law.

On October 21, 1983, the Internal Revenue Service proposed regulations to further implement the tax provisions under the so-called Superfund law (Public Law 96–510). Under the proposed regulations, the IRS would retroactively tax cupric sulfate, cupric oxide, cuprous oxide, zinc chloride, zinc sulfate, and lead oxide when these compounds occur in transitory form in the process of extracting copper, lead, and zinc metal from ores and concentrates. The proposal would tax these compounds even when they are not sold, because the IRS interprets the statute as taxing all "uses" of these compounds. The IRS concludes that their occurrence in-process in the extraction of the raw metals is a "use" within the meaning of the statute.

Among other things, the Committee believes that the implementation of the proposed IRS regulations would be contrary to the legislative history of the Superfund legislation and would pose numerous practical problems for these special metal industries. The Committee understands that the taxing of these byproducts would give a competitive advantage not only to foreign mining operations but also to foreign customs smelters. The Committee has leanred that the proposed tax on these byproducts would substantially increase the cost of our domestic nonferrous mining and smelting industry, with costs to one company estimated to be $11,000,000.

For all of these reasons, the Committee believes it is proper to halt the implementation, promulgation, and enforcement of the proposed IRS regulations until the appropriate authorizing committees of the

Congress can adequately address the congressional intent and interpretation of the tax provisions of Public Law 96–510.

SEC. 111. The Committee has included language in the bill which would waive the duty requirements for articles required for the installation and opertion of a telescope in the State of Arizona. This telescope is being developed as part of a joint astronomical project being undertaken by the Max Planck Institute in West Germany and the University of Arizona's Steward Observatory. These two institutions are working to construct a 10-meter diameter telescope to study certain radio signals from outer space. To collect these signals, the telescope must be more precise than instruments produced in the past and it must be located at a very high and dry site, because water vapor in the Earth's atmosphere absorbs most of the incoming signals.

Under current law, articles imported for scientific or educational purposes can, under most circumstances, enter the United States duty-free because the United States has implemented in its law what is known as the Florence agreement permitting the duty-free trade in such articles. However, in this case, the various components of the telescope are to be imported over a long period of time and several components of the project will have to be reexported and reimported to provide for adjustments. This practice would require expensive and repeated applications before the Department of Commerce. Therefore, the Committee, with the support of the Commerce Department and the Committee on Finance, is recommending a special exemption for this important international science project. The language recommended in the bill by the Committee contains safeguards which insure that only scientific equipment that would qualify under the so-called Florence agreements would enter the United States duty free.

TITLE II—UNITED STATES POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

1984 appropriation to date	$879,000,000
1985 budget estimate	691,556,000
House allowance	1,040,509,000
Committee recommendation	1,040,509,000

The Committee has recommended an appropriation of $1,040,509,000 for payment to the Postal Service fund in fiscal year 1985. The total equals the House reported total, and is $348,953,000 over the budget request.

The Postal Service appropriation is authorized under the Postal Reform Act and traditionally has been broken down into three major categories: revenue forgone on free and reduced rate mail; nonfunded liabilities of the former Post Office Department and public service costs. The budget request calls for an appropriation of $452,047,000 for revenue forgone mail, an appropriation of $239.509,000 for unfunded liabilities, and no appropriation for the public service costs.

REVENUE FORGONE

The fiscal year 1985 request for revenue forgone is $452,047,000. Of that amount $400,000,000 is for 1985 and $52,047,000 is for the reconciliation adjustment. This appropriation is for revenue lost by the Postal Service as a result of providing mail service to newspaper and magazine publishers; shippers of books, records, and other special fourth-class mail; and certain nonprofit organizations at a reduced rate. This revenue loss, which is the difference between the reduced rate and the full rate, is mandated by the Postal Reorganization Act and the Omnibus Budget Act and Reconciliation Act.

This class of mailers currently operates under a schedule which is phasing in costs to them over a 16-year period. They are currently at step 14 of that schedule. The $400,000,000 request would cause a significant cost increase for these mailers. It is the Committee's intention that rate stability is a watchword. It, therefore, concurs with the House decision to fund the revenue forgone subsidy at a level of $801,000,000. This will keep rates at step 14 for 1985. It should be noted, however, that any general rate increase could increase in step 14.

The following table reflects the effect on subsidized mail rates of the President's budget estimate of $400,000,000 and the appropriation levels discussed by the Committee:

COMPARATIVE POSTAL PRICES FOR ILLUSTRATIVE MAILINGS—ADJUSTED FOR APPROPRIATION SHORTFALL REVENUE FORGONE APPROPRIATIONS FOR ALL CLASSES REDUCED PROPORTIONATELY—FISCAL YEAR 1985[1]

	Price at total revenue forgone appropriation of (millions)							Regular (unsubsidized) rate level	
	$801[2]	$851[3]		$731[4]		$452[5]			
	Current price (cents)	Effective Oct. 1, 1984 (cents)	Increase over (1) (percent)	Effective Oct. 1, 1984 (cents)	Increase over (1) (percent)	Effective Oct. 1, 1984 (cents)	Increase over (1) (percent)	Effective Oct. 1, 1984 (cents)	Increase over (1) (percent)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Second-class publication in county	3.6	3.4	6	3.9	8	6.0	67	9.1	153
Rural newspaper; Frequency: Weekly; Weight: 4 ounces; Advertising: 50 percent; All delivered in county presorted to 5 digits									
Nonprofit	6.6	6.0	9	7.3	11	8.5	29	9.2	39
Veteran's magazine; Frequency: Monthly; Weight: 4 ounces; Advertising: 20 percent; New York to Chicago; Presorted to 5 digits									
Classroom	6.7	6.4	4	7.0	4	11.2	67	17.3	158
Classroom publication; Frequency: Weekly; Weight: 12 ounces; Advertising: 15 percent; New York to Chicago; 32 copies per piece									
Science of Agriculture	8.4	8.3	1	8.4	0	8.7	4	9.1	8
Rural agricultural newspaper; Frequency: Weekly; Weight: 4 ounces; Advertising: 50 percent; Within 150 miles of entry; Presorted to 5 digits									
Under 5,000 copies	7.2	6.7	7	7.6	6	8.5	18	9.1	26
Newspaper; Frequency: Weekly; Weight: 4 ounces; Advertising: 50 percent within 150 miles of entry; Presorted to 5 digits									
Third-class nonprofit:									
Fundraising letter; Weight ¾ ounce; Nationwide distribution—									
Presorted to carrier route	3.3	3.0	9	3.7	12	5.2	58	7.4	124
Presorted to 5 digits	4.3	4.0	7	4.7	9	6.6	53	9.3	116
Required presort	5.2	4.9	6	5.6	8	7.8	50	11.0	112
Fourth-class library rate	.47	.43	9	.51	9	.66	40	.86	83
Book between libraries; Weight: 2 pounds; New York to Chicago									

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[1] These prices are appropriate only if prices are implemented on Oct. 1, 1984. All price and revenue forgone determinations are based on current rate levels.

[2] Phasing Step 14.

[3] Scheduled phasing Step 13 with a July 6 advancement to Step 14.

[4] Phasing Step 15.

[5] Price is above full price level.

TRANSITIONAL APPROPRIATIONS

The Omnibus Budget Reconciliation Act of 1981 authorized no funding for transitional appropriations during fiscal years 1982 through 1984. However, during fiscal year 1985 amounts were authorized to be appropriated as necessary to reimburse the Postal Service for unfunded liabilities for annual leave and workers' compensation of employees of the former Post Office Department, both for fiscal year 1985 installment and for amounts deferred from fiscal years 1982 through 1984. By law, the United States remains liable for these obligations which arose before postal reorganization, so that the mailing public of today will not be charged with the cost of the deficit policies of the past in addition to having to pay the full cost of present operations. The total appropriation request for this purpose is $239,500,000.

PUBLIC SERVICE SUBSIDY

The Committee notes that the Postal Service requested no funds for public service costs specified in the Postal Reorganization Act of 1970. Appropriations for public service were initially authorized by Congress in the act of 1970 to provide for "a maximum degree of effective and regular postal services nationwide, in communities where post offices may not be deemed self-sustaining, as elsewhere." The Committee is most pleased that the Postal Service has reached such a plateau since the reorganization, however, it does not mean the Committee will retreat from its historic position that the public service subsidy is an essential ingredient in helping to maintain postal services such as 6-day delivery and small post office operations in small and rural communities where mail delivery is particularly important to their citizens. The Committee has directed continuation of 6-day service and operation of small post offices in the bill.

POSTAL SERVICE'S PARTICIPATION IN HAWAII DRUG TASK FORCE

The Committee has directed the Office of the Vice President to establish a Federal drug enforcement task force in Hawaii and directed the various Federal law enforcement agencies in the Treasury, Transportation, and Justice Departments to actively participate in the task force.

The Committee also directs the U.S. Postal Service to assign sufficient personnel to the Hawaii task force and to actively participate in this important drug enforcement initiative in fiscal year 1985. The Committee notes that the Postal Service has been most helpful in the past in working with Federal drug endorcement agencies to combat drug trafficking and fully expects the Postmaster General to personally take an active role in bringing the Postal Service into the Hawaii drug task force.

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT

FUNDS APPROPRIATED TO THE PRESIDENT

COMPENSATION OF THE PRESIDENT

1984 appropriation to date	$250,000
1985 budget estimate	250,000
House allowance	250,000
Committee recommendation	250,000

The fiscal year 1985 budget request for compensation of the President is $250,000. This amount includes $200,000 for the direct salary of the President as authorized by 3 U.S.C. 102, and a $50,000 expense account for official expenses, with any unused portions reverting to the Treasury. This expense account is not considered as taxable to the President.

The Committee concurs with the House in recommending the full budget request of $250,000 for compensation of the President

OFFICE OF ADMINISTRATION

1984 appropriation to date	$14,295,000
1985 budget estimate	16,172,000
House allowance	14,645,000
Committee recommendation	16,172,000

The Committee recommends an appropriation of $16,172,000. The funding level equals the budget request and is $1,527,000 above the House-approved appropriation.

The Office of Administration (OA) was created in 1977 under Reorganization Plan No. 1 and Executive Order 12028. The purpose of the Office of Administration is to provide common, centralized administrative support and services to all of the organizations in the Executive Office of the President (EOP), and on request, services in direct support of the President. Ten separate agencies are in the EOP. Services which OA will provide to those organizations include personnel management, financial management, office services and operations, information and records management, and data processing.

The Committee has been supportive of the effort to modernize the ADP operation. The modernization has been ongoing for 3 years. This year's request will continue that effort and will allow for implementation of phase II of the contingency planning/risk management program.

The Committee concurs with the House on the total of the request that provides for 139 positions, which is the same as 1984.

THE WHITE HOUSE OFFICE

1984 appropriation to date	$22,830,000
1985 budget estimate	24,985,000
House allowance	23,731,000
Committee recommendation	24,985,000

The Committee recommends an appropriation of $24,985,000 for the White House Office. The House approved a level which is $1,264,000 below the estimate and the Committee proposal.

These funds provide the President with staff assistance and provide administrative services for the direct support of the President. Public Law 95–570 authorized appropriations for the White House Office and codified the activities of the White House Office.

The increase in the SLUC charge accounts for nearly one-half of the increase in the White House Office account. The 322 full-time permanent positions funded in fiscal year 1984 will remain unchanged this year.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

1984 appropriation to date	$4,550,000
1985 budget estimate	4,601,000
House allowance	4,601,000
Committee recommendation	4,601,000

The Committee recommends an appropriation of $4,601,000 for the Executive Residence at the White House.

These funds provide for the care, maintenance, and operation of the Executive Residence. The personnel funded from this account include cooks, gardeners, and other personnel involved in the day-to-day operation of the Executive Residence at the White House and official and ceremonial function expenses of the President to be expended and accounted for as provided by 3 U.S.C. 105, 109–110, 112–114. A total of 89 full-time workyears are provided again this year.

The Senate concurs with the House on the requested funding level.

OFFICIAL RESIDENCE OF THE VICE PRESIDENT

1984 appropriation to date	$262,000
1985 budget estimate	219,000
House allowance	219,000
Committee recommendation	219,000

The Committee recommends an appropriation of $219,000 for the Official Residence of the Vice President, equal to the fiscal 1985 budget request.

This appropriation provides for the purchase, lease, and operation of appropriate equipment, furnishings, improvements, alterations, maintenance, repairs, services, and other provisions as may be required under the supervision of the Vice President to enable him to perform and discharge appropriately the duties, functions, and obligations associated with his office. The appropriation also includes $60,000 for official entertainment expenses of the Vice President.

SPECIAL ASSISTANCE TO THE PRESIDENT

1984 appropriation to date	$1,593,000
1985 budget estimate	1,663,000
House allowance	1,663,000
Committee recommendation	1,663,000

The Committee recommends an appropriation of $1,663,000 for special assistance to the President.

This appropriation is to provide for a staff for the Vice President to carry out his executive branch functions and to enable the Vice President to provide assistance to the President. This assistance takes the form of directed and special Presidentially assigned functions.

The Vice President serves as a member of the President's Cabinet and acts as Chairman when the President is absent (designated by the President) and he serves as Vice Chairman of the National Security Council (designated by the President) (member of NSC—National Security Act of 1947); he is also an adviser to the President on issues and national problems and assists the President in ceremonial functions and in the conduct of international affairs. The Vice President also has a staff funded by the Senate for his duties in the legislative branch.

ESTABLISHMENT OF A FEDERAL DRUG ENFORCEMENT TASK FORCE IN HAWAII

One of the most successful efforts by the Federal Government to coordinate a comprehensive drug enforcement effort to attack drug smuggling was the south Florida task force under the leadership of the Vice President of the United States. This task force brought together all of the major Federal law enforcement agencies in a cooperative effort to mobilize resources on the devastating problem of drug trafficking in the drug-prone south Florida corridor.

The Committee believes that the growth of the domestic marijuana industry in Hawaii, coupled with the expanding role of Hawaii as a significant transshipment point for drugs from Southeast Asia and other areas, warrants the creation of a similar Federal drug enforcement task force in Hawaii, built along the lines of the south Florida task force.

The Committee also believes that in order to best coordinate a concentrated Federal drug enforcement effort in Hawaii, the Vice President of the United States, as head of the National Narcotics Border Interdiction System (NNBIS) created in March 1983, should head up this drug enforcement task force in Hawaii as he did in south Florida. At the same time, the Committee expects the Attorney General of the United States to be the major Cabinet officer in charge of the law enforcement operations of such a task force in Hawaii, in cooperation with the Justice Department's other law enforcement agencies; the Secretary of the Treasury and his law enforcement agencies; the Secretary of Transportation; and all other Federal law enforcement entities.

Therefore, the Committee directs the Office of the Vice President to establish and implement the formation of a Federal drug enforcement task force in Hawaii in fiscal year 1985, under the leadership of the Vice President of the United States and the National Narcotics Border

Interdiction System. The task force should be established along the lines of the south Florida task force, with sufficient personnel and resources assigned to the task force from the various participating Federal law enforcement agencies and bureaus. The Committee expects planning for this important drug task force to begin immediately and it stands prepared to be of whatever assistance it can in this important law enforcement effort. The Committee further expects to receive written reports on a quarterly basis from the Office of the Vice President and NNBIS on the specific steps being taken to implement this crucial task force in Hawaii.

COUNCIL OF ECONOMIC ADVISERS

1984 appropriation to date	$2,464,000
1985 budget estimate	2,560,000
House allowance	2,560,000
Committee recommendation	2,560,000

The Committee recommends an appropriation of $2,560,000 for salaries and expenses of the Council of Economic Advisers.

The Council of Economic Advisers analyzes the national economy and its various segments, advises the President on economic developments, recommends policies for economic growth and stability, appraises economic programs and policies of the Federal Government, and assists in preparation of the annual Economic Report of the President to Congress.

The Council of Economic Advisers had 34 positions authorized for fiscal year 1984. No new positions are being requested.

OFFICE OF POLICY DEVELOPMENT

1984 appropriation to date	$2,861,000
1985 budget estimate	3,020,000
House allowance	3,020,000
Committee recommendation	3,020,000

The Committee recommends the budget request of $3,020,000 for the Office of Policy Development.

The Office of Policy Development is charged with advising and assisting the President in the formulation, evaluation, and coordination of national domestic policy. The Office of Policy Development has the central role in formulation of domestic policy and is responsible for coordinating and supporting the Cabinet Councils and for supporting the President's Economic Policy Advisory Board. The Office also provides support for several other functions within the Executive Office of the President, including planning and evaluation, Cabinet affairs, and drug abuse policy.

The personnel authorization for fiscal year 1985 remains unchanged from current levels of 45 full-time permanent employees and 5 temporary employees.

NATIONAL SECURITY COUNCIL

1984 appropriation to date	$4,497,000
1985 budget estimate	4,605,000
House allowance	4,605,000
Committee recommendation	4,605,000

The Committee recommends an appropriation of $4,605,000 for the salaries and expenses of the National Security Council.

The primary purpose of the Council is to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security. Subject to direction by the President, it is the responsibility of the Council to assess and appraise the objectives, commitments, and risks of the United States in relation to actual and potential military power, to consider policies on matters of common interest to the departments and agencies of the Government, and to make recommendations and other reports to the President.

The fiscal year 1985 request is for a total of 67 positions, 2 fewer than authorized in fiscal year 1984.

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

1984 appropriation to date	$31,603,000
1985 budget estimate	40,005,000
House allowance	37,889,000
Committee recommendation	39,000,000

The Committee recommends an appropriation of $39,000,000. The Committee recommendation is $1,005,000 below the budget request, but $1,111,000 over the House total.

The Office of Management and Budget assists the President in the discharge of his budgetary, management, and other executive responsibilities. The Office performs the function of assisting the President in the preparation and execution of the Federal budget. The Office also provides the President with an institutional staff capability in executive management—particularly in program evaluation and coordination, Government organization, and information and management systems.

MARKETING ORDERS

Marketing orders which are authorized under the Agricultural Marketing Agreement Act of 1937, have made valuable contributions to the stability of many of our agricultural commodity markets. In addition to assuring orderly markets for both producers and consumers, marketing orders have provided for quality control standards, research and promotional programs, and supply management programs.

The Agricultural Marketing Agreement Act of 1937 gave direct supervision and control over the management of marketing orders to the U.S. Department of Agriculture. The Office of Management and Budget has never been given any legislative authority over marketing orders. Recently, however, OMB has attempted to become involved in the management of marketing order programs through the President's Task

Force on Regulatory Review. The purpose of this language is to reaffirm USDA's sole authority in an area where they have developed the necessary expertise and trained personnel over the years to effectively monitor and enforce agricultural marketing order programs.

REPORT ON ADMINISTRATIVE EXPENSES

In fiscal year 1982 and fiscal year 1983 the Committee directed the Office of Management and Budget to submit an annual report on administrative expenses. The reports provided to the Committee by OMB contained much useful information on Federal expenditures for travel; consultant services; audio visual/filmmaking; public affairs, public information, and advertising; and debt collection. The Committee, therefore, directs the Office of Management and Budget to prepare and submit to the Committee no later than April 15, 1985, a report on Federal expenditures for these services during fiscal year 1984.

The Committee is aware of the efforts within OMB that are being made to identify and control expenditures for consultant and related services. The Committee supports such initiatives and expects to receive monthly reports on the progress being made with this effort.

OFFICE OF FEDERAL PROCUREMENT POLICY

1984 appropriation to date	$2,556,000
1985 budget estimate	1,615,000
House allowance	1,615,000
Committee recommendation	1,615,000

The Committee recommends an appropriation of $1,615,000 for the Office of Federal Procurement Policy.

The Office of Federal Procurement Policy is responsible for promoting economy, efficiency, and effectiveness in the procurement of property and services by and for the executive branch.

The Office of Federal Procurement Policy funds the Federal Acquisition Institute to serve as the interagency focal point for promoting and coordinating Government-wide planning, development, implementation, and evaluation of programs in procurement, research, education and training, and career development.

The transfer of the Federal Acquisition Institute to the General Services Administration is the primary reason for the decrease below the fiscal year 1984 funding level. There are no program increases being sought to offset the transfer which results in a position reduction from 41 to 25.

UNANTICIPATED NEEDS

1984 appropriation to date	$1,000,000
1985 budget estimate	1,000,000
House allowance	1,000,000
Committee recommendation	1,000,000

The Committee recommends an appropriation of $1,000,000 for unanticipated needs, the full amount of the fiscal year 1985 budget request.

These funds enable the President to meet unanticipated needs in furtherance of the national interest, security, or defense. In fiscal year 1984 only one allocation has been made so far: $375,000 has been allocated to the White House Office to provide funding for the transfer of the computer system from the White House Communications Agency to the Executive Office of the President (EOP) computer center facilitating a more cost-effective and efficient computer operation by effecting a total consolidation of all EOP administrative systems into one.

TITLE IV—INDEPENDENT AGENCIES

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

1984 appropriation to date	$1,100,000
1985 budget estimate	1,468,000
House allowance	1,468,000
Committee recommendation	1,468,000

The Committee recommends an appropriation of $1,468,000 for the Administrative Conference of the United States.

The Conference is authorized on a permanent basis to assist the President, the Congress, the administrative agencies, and executive departments in improving existing administrative procedure, including achievement of needed regulatory reform. It is responsible for conducting studies of the efficiency, adequacy, and fairness of present procedures by which the Federal administrative agencies and executive departments determine the rights, privileges, and obligations of private persons. On the basis of such studies, the Conference issues formal recommendations for improvements and then encourages implementation of the recommendations through appropriate agency, congressional, or judicial action.

In addition to its research activities, the Conference also arranges for the interchange among administrative agencies of information useful in improving administrative procedures; collects, tabulates, analyzes, and publishes statistics from administrative agencies to identify and correct delays and other problems in the administrative process; and, on an ongoing basis, furnishes assistance and advice on matters of administrative procedure to the agencies, Congress, and others.

CONSULTANT AND RELATED SERVICES

The Committee is aware of the efforts that have been made by the Administrative Conference to assist the efforts being made by the Committee and the Executive Office of the President to identify and reduce Federal expenditures for consultant and related services. The Committee believes that the Conference has rendered valuable assistance with the attempts to reduce or eliminate to the greatest degree possible the waste and mismanagement that continues to plague the accounts used to procure consultant services. The Committee encourages the continued efforts of the Conference in this matter.

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

1984 appropriation to date	$2,000,000
1985 budget estimate	2,131,000
House allowance	2,131,000
Committee recommendation	2,131,000

The Committee recommends an appropriation of $2,131,000 for the Advisory Commission on Intergovernmental Relations.

The Commission is an independent, bipartisan body which attempts to identify and analyze the causes of intergovernmental conflicts, and recommends ways of strengthening and improving the American Federal system. The Commission includes representatives of the executive, legislative, and administrative branches of all levels of government—Federal, State, and local—as well as representatives of the general public.

ADVISORY COMMITTEE ON FEDERAL PAY

1984 appropriation to date	$215,000
1985 budget estimate	220,000
House allowance	220,000
Committee recommendation	220,000

The Committee recommends an appropriation of $220,000 for the Advisory Committee on Federal Pay.

The Committee was appointed in accordance with the Federal Pay Comparability Act of 1970. The Committee assists the President in carrying out the policy of comparability in pay between major Federal statutory pay systems and private enterprise. The Committee reviews the annual report of the President's pay agent and considers the recommendations of representatives of Federal employees and other officials of the Federal Government. The Committee then prepares for the President an independent report with its findings and recommendations.

COMMISSION ON EXECUTIVE, LEGISLATIVE, AND JUDICIAL SALARIES

1984 appropriation to date	
1985 budget estimate	$160,000
House allowance	160,000
Committee recommendation	160,000

The Committee concurs with the House in funding the Commission for its quadrennial review of appropriate pay levels for upper level positions in the executive, legislative, and judicial branches of the Federal Government. The Commission makes its recommendation to the President following completion of the review.

COMMITTEE FOR PURCHASE FROM THE BLIND AND OTHER SEVERELY HANDICAPPED

1984 appropriation to date	$687,000
1985 budget estimate	710,000
House allowance	710,000
Committee recommendation	710,000

The Committee recommends the full budget request of $710,000 for the Committee for Purchase From the Blind and Other Severely Handicapped.

The Committee's primary objective is to increase the employment opportunities for the blind and other severely handicapped and, whenever possible, to prepare them to engage in normal competitive employment. The Committee determines which commodities and services are suitable for Government procurement from qualified nonprofit agencies serving the blind and other severely handicapped; publishes a procurement list of such commodities and services; determines the fair market price for commodities and services on the procurement list; and makes rules and regulations necessary to carry out the purposes of the act.

The Committee staff supervises the selection and assignment of new commodities and services, assists in establishing prices, reviews and adjusts these prices, verifies the qualifications of workshops, and monitors their performance.

FEDERAL ELECTION COMMISSION

1984 appropriation to date	$10,649,000
1985 budget estimate	10,230,000
House allowance	12,834,000
Committee recommendation	12,900,000

The Committee recommends an appropriation of $12,900,000 for the Federal Election Commission (FEC). This amount is $2,604,000 above the budget request, and $66,000 above the House.

The Commission monitors compliance with the law relative to limitations on campaign expenditures and political contributions to provide for public financing of Presidential nominating conventions and Presidential primary elections and for other purposes relative to Federal elections.

The Commission submits its budget to the Office of Management and Budget concurrent to its congressional submission. The initial submission totaled $13,648,000. The OMB submission is $10,230,000 for fiscal year 1985. The Committee concurs with the House that the administration budget submission is not adequate for the FEC to cover mandatory costs, as well as relocate its offices. The Committee believes the $12,900,000 appropriation will meet those requirements. This figure will allow the Commission to perform its mission at acceptable levels and also includes $1,155,000 to be used solely for a change in location. Any of the funds not utilized in the relocation and increased rental costs are to be returned to the Treasury.

The Committee stresses the fact that to maintain 1984 activities, $11,289,000 is required. In 1985, the Commission must audit Presidential primary candidates receiving Federal funds; provide disbursement to and then audit publicly funded general election Presidential candidates; and, by law, commence congressional committee audits within 6 months of the election.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND—LIMITATIONS ON AVAILABILITY OF REVENUE

CONSTRUCTION AND ACQUISITION OF FACILITIES

1984 appropriation to date	($146,210,000)
1985 budget estimate	(89,877,000)
House allowance	(106,814,000)
Committee recommendation	(100,299,000)

The Committee recommends a limitation of $100,299,000 for construction and acquisition of facilities in fiscal year 1985.

The construction and acquisition of facilities account is designed to provide suitable facilities to house Federal agencies through direct construction of new buildings, extensions to existing buildings, acquisition of U.S. Postal Service properties, and purchase of commercial properties from the private sector. Starting in fiscal year 1985, this activity will fund only site acquisition and construction. Design and supervision costs will be funded by the new construction services activity.

Of the total approved, almost $82,000,000 is provided for purchase of commercial properties in several major cities. High rental costs, a large amount of currently leased space, and agency consolidation make owning, rather than leasing space, more advantageous in certain metropolitan areas.

The Committee wishes to reemphasize its strong support of the "opportunity purchase" program. It has proven to be cost effective and will continue to provide the Federal Government with first-class space at a reasonable cost.

The Committee denies without prejudice the new obligational authority requested to provide funding for construction projects having deficit balances as a result of the construction services fund termination in fiscal year 1982. It believes that the use of current revenue to merely correct the agency financial records is not the best use of Federal buildings fund resources since the buildings in question are already complete. The Committee, therefore, directs GSA to close the financial records on these projects.

The Committee has approved funding of the following projects:

District of Columbia, Old Post Office	$1,750,000
El Paso, Ysleta, Tex., border station	6,893,000
Lynden, Wash., border station	2,386,000
Sumas, Wash., border station	4,618,000
Projects less than $500,000	1,000,000

REPAIRS AND ALTERATIONS

1984 appropriation to date	($87,517,000)
1985 budget estimate	(223,749,000)
House allowance	(228,432,000)
Committee recommendation	(216,018,000)

The Committee recommends $216,018,000 for repairs and alterations in fiscal year 1985.

Under this activity, the General Services Administration (GSA) executes its responsibility for repairs and alterations of both Government-owned and leased facilities under the control of GSA.

The major goal of this activity is to provide commercially equivalent space to tenant agencies. Therefore, the state of repair, appearance, and operating efficiency of facilities are given primary consideration in carrying out this responsibility. A major portion of the fiscal year 1985 program is devoted to the basic work necessary to meet this goal and to keep the buildings in an occupiable condition.

The requested fiscal year 1985 increase reflects increased construction costs and the advancing age of the Government's building inventory. In evaluating the change from fiscal year 1984 to fiscal year 1985, it should be considered that the reduced fiscal year 1984 new obligational authority for repairs and alterations reflects the offsetting impact of the supplemental appropriation of $125,000,000 in the fiscal year 1983 jobs bill.

It should be noted that project design for this activity, as in the construction account, will be funded separately in the design and construction services account.

New obligational authority is requested as follows:

San Francisco, Calif., appraisers stores	$9,711,000
Denver, Colo.:	
Federal Center 20	6,210,000
Federal Center 810	8,590,000
District of Columbia:	
Archives	4,696,000
Auditors	8,980,000
Blair House	3,000,000
HHS North Building	1,504,000
Interior	4,131,000
Des Moines, Iowa, Federal building	3,083,000
Sioux City, Iowa, post office/courthouse	809,000
Suitland, Md., Naval Intelligence No. 1	8,809,000
Detroit, Mich., parking garage	1,832,000
Kansas City, Mo., 150 E. Bannister	907,000
Las Vegas, Nev., Federal building	941,000
New York, N.Y., 201 Varrick	1,508,000
Philadelphia, Pa., 5000 Wissahikan Ave	2,635,000
Forth Worth, Tex., warehouse No. 5	710,000
Alexandria, Va., post office/courthouse	1,370,000
Arlington, Va., Pentagon	4,602,000

BLAIR HOUSE

The House has included $6,611,000 for renovation of the Blair House. The renovation will include major systems and some structural upgrading, including the electrical, heating, plumbing, and air-conditioning systems, roof repairs, installing fire and life safety systems, and enhancing physical security.

The Blair House complex has acted as a Presidential guest house. It has been closed as a residence since GSA determined safety requirements were not being met. A review has indicated the above-listed improvements should be made.

The Committee agrees that repairs must be made to keep the structure from deteriorating any further. However, the Committee is most concerned that the planned renovation to modernize the facility by adding a new wing to house the master suite is not the course of action to take. Security of visiting dignitaries utilizing Blair House is as important as maintaining this historic structure. The Committee is not convinced proper security can be provided at Blair House. The Committee has, therefore, appropriated $3,000,000 for renovation of this historic structure.

It is to be noted that the Committee is most concerned that every effort be made to stop the deterioration of the Blair House. The Committee also notes that during the time the house has been closed as a guest house it has been utilized much more as a meeting place. Because of the structure of the building it is the Committee's direction that following repairs the Blair House be utilized similarly in an expanded manner.

ST. LOUIS COURTHOUSE

The Committee recognizes the urgent need for repairs and improvements to the St. Louis Courthouse and Customhouse, 1114 Market Street, St. Louis, Mo. The Committee, therefore, directs GSA to submit a budget request for full funding for these renovations in its fiscal year 1986 budget.

PITTSBURGH POST OFFICE AND COURTHOUSE

The Committee struck funding for the Pittsburgh post office and courthouse included in the House bill. The General Services Administration has indicated design of the project and procurement of a construction contract will take 15 months subsequent to the award of the design contract. The design contract will be awarded in July 1984. Therefore, no construction funding will be required in fiscal year 1985. The Committee anticipates funding this project in fiscal year 1986.

PURCHASE CONTRACT PAYMENTS

1984 appropriation to date	($145,500,000)
1985 budget estimate	(178,911,000)
House allowance	(178,911,000)
Committee recommendation	(178,911,000)

The Committee recommends a limitation of $178,911,000 for purchase contract payments.

Both the Public Buildings Purchase Contract Act of 1954 and the Public Buildings Amendments of 1972 enabled GSA to enter into contractual arrangements for the construction of a backlog of approved, but unfunded projects. These purchase contracts require the Government to make periodic payments on the facilities over varying periods until title is vested with the Government. This activity provides for the payment of principal, interest, taxes, and other required obligations related to facilities acquired or to be acquired pursuant to both the Public Buildings Purchase Contract Act of 1954 (40 U.S.C. 356) and the Public Buildings Amendments of 1972 (40 U.S.C. 602a). Through enactment of these laws, GSA constructed 73 buildings.

Beginning with fiscal year 1985, accrual accounting procedures will be applied to the principal and interest payments. This will result in a one-time increase which will be offset by a similar amount in the last year that payments are made. This one-time increase totals $24,900,000.

RENTAL OF SPACE

1984 appropriation to date	($880,500,000)
1985 budget estimate	(865,000,000)
House allowance	(865,000,000)
Committee recommendation	(865,000,000)

The Committee concurs with the House and recommends a limitation of $865,000,000 for rental space.

The General Services Administration is responsible for all functions of leasing general purpose space and land incident thereto for Federal agencies, except for cases where GSA has delegated its leasing authority (for example, the Departments of Agriculture, Commerce, and Defense may lease their own space under certain circumstances). GSA's basic policy is to lease privately owned buildings and land only when Federal space needs cannot be otherwise accommodated satisfactorily in existing Government-owned or leased space; when leasing proves to be more efficient than the construction or alteration of a Federal building; when construction or alteration is not warranted because requirements in the community are insufficient or are indefinite in scope or duration; or when completion of a new Federal building within a reasonable time cannot be assured.

The primary purpose of the Federal Buildings Fund is to make agencies responsible for the costs of the space which they occupy, and thus, cognizant of the need for significant economies in space use. To encourage such awareness GSA has intensified its efforts to improve space utilization through issuance of guidelines for establishment of agency-managed utilization programs, through the development of new space allocation standards for each agency, and through the establishment of the space planning program to assist the agencies in their space assignment planning.

The amount requested in fiscal year 1985 reflects a 7.3-percent decrease in the leased space inventory.

DAON BUILDING LEASE

The Committee is most concerned with the General Services Administration proposal to lease the newly constructed building at 1300 New York Avenue, known as the Daon Building. The Committee agrees with the Environment and Public Works Committee that this is a disturbing development. Sanctioning a lease at this site (nearly $500,000,000 over 20 years) and having nothing at the end of that period runs diametrically opposed to the effort to get the Federal Government out of leased space and into federally owned space.

The opportunity purchase program has been developed to find space which can be purchased, not leased. If this building can be considered for purchase, so be it. However, a lease of this nature is totally out of the question. The Committee, therefore, directs that no funds be expended for lease of this building.

CHARLESTON, S.C., POST OFFICE ANNEX AND COURTHOUSE

The Committee has deleted language added by the House which would have prohibited the construction of an annex to the U.S. Post Office and Court House Building in Charleston, S.C. The Committee is concerned that such restrictive language will foreclose any options that the city of Charleston and the General Services Administration might have to reach an agreement on a mutually acceptable site for this project in fiscal year 1985. Therefore, the Committee has deleted the House language and urges the GSA to work in close cooperation with the city of Charleston and all interested parties in the city to reach an agreement on the location of this important project.

GREENVILLE, S.C., FEDERAL BUILDING AND COURTHOUSE

The Committee is prohibiting the contracting out of custodial services at the Clement Haynsworth Federal Building and U.S. courthouse in Greenville, S.C.

The Committee believes that the strong support in Greenville for retaining the current custodial work force makes it imperative that these important services at the Federal building and courthouse in Greenville not be contracted out in fiscal year 1985. The Committee understands that only five employees are involved in this situation and doubts the benefit of any effort to contract our for these jobs.

SPARTANBURG, S.C., SOCIAL SECURITY OFFICE

The Committee has included language in the bill which would prohibit the move of the existing social security office in Spartanburg, S.C., into the Federal building in that same South Carolina city. The Committee believes that the Federal building targeted for relocation of the existing social security office would require significant modification and renovation in order to be made accessible for the elderly. Also, the Committee notes that major renovation of the building would render certain historic portions of the building unworkable. Furthermore, the parking at the Federal building is inadequate to handle the high volume of social security and other beneficiaries who would visit the social security office in this building. Therefore, for all of these reasons, the Committee directs that the existing social security office not be moved into the Spartanburg, S.C., Federal building.

REAL PROPERTY OPERATIONS

1984 appropriation to date	($656,500,000)
1985 budget estimate	(694,998,000)
House allowance	(685,848,000)
Committee recommendation	(694,998,000)

The Committee recommends a limitation of $694,998,000 for real property operations. The House has recommended a funding level of $9,150,000 less than the budget request and Senate proposed level.

This activity provides for the operation of all Government-owned facilities under the jurisdiction of GSA and for building services in leased space in the GSA inventory where the terms of the lease do not require the lessor to furnish such services.

Services included in building operations are cleaning, protection, maintenance, payments for utilities, fuel, and other miscellaneous activities such as grounds maintenance, elevator operations, and day-to-day servicing of tenants' needs. The space, operations, and services referred to above are furnished by GSA to its tenant agencies in return for payment of the standard level user charge (SLUC), just as in the private sector tenants pay rent for space and services provided by lessors.

The Public Buildings Service is responsible for furnishing building services in GSA-operated facilities including cleaning, protection, elevator operations, mechanical and electrical operation and maintenance, heating and air-conditioning, and other servicing of structural components and grounds maintenance. Other related supporting services include the moving of Federal agencies as a result of space alterations in order to provide better space utilization in existing buildings; moving agencies into newly acquired space; on-site supervision of buildings services and operations; and consolidated contractual expertise and reviewing regional contracts. Further, due to considerations unique to their operation, GSA normally provides varying levels of nonreimbursable services, as appropriate, in agency headquarters' facilities, including the Executive Office of the President, located within the Washington Metropolitan area.

PROGRAM DIRECTION

1984 appropriation to date	($100,000,000)
1985 budget estimate	(117,040,000)
House allowance	(117,040,000)
Committee recommendation	(117,040,000)

The Committee recommends the budget request of $117,040,000 for program direction.

This activity provides for the overall general management, long- and short-range planning, and administration of all programs which are the responsibility of the Public Buildings Service. In addition, this activity finances the costs of management and administration of each of the individual activities of the Federal Buildings Fund including construction, repairs and alterations, purchase contract payments, rental of space, and real property operations. It further provides for the costs of essential supporting services for these activities which are funded on a centralized basis.

This activity supports all Public Buildings Service personnel-related costs incident to the direct Federal Buildings Fund programs, with the exception of those costs incurred by employees engaged in the day-to-day operation, maintenance, and protection of facilities, which are reflected in the real property operations activity. Program direction finances personnel and other related support costs pertaining to (1) acquisition, assignment, and utilization of space, and design and construction services in support of the real estate function; (2) buildings management, repairs and alterations, protection, and public utilities programs in support of the real property operations function; (3) long- and short-range planning and general management of all activities under the overall direction function; and (4) associated costs for Department of Labor payment for employees compensation, unemployment compensation, personnel benefits, ADP services, contractual services, telecommunication and miscellaneous services which support all aspects of the Federal Buildings Fund program under the centralized services function.

DESIGN AND CONSTRUCTION SERVICES

1984 appropriation to date	
1985 budget estimate	($58,227,000)
House allowance	(58,883,000)
Committee recommendation	(55,536,000)

This is a new budget activity which provides for the direct funding, under a no-year authorization, of both in-house and contract costs of the design and management/inspection phases of new construction and repairs and alterations projects as well as nonproject-related technical services. This activity replaces funding for such services which was previously included in individual projects.

Fiscal year 1985 would be the first year of operation for this budget activity. In fiscal year 1983 and fiscal year 1984 the costs of architectural/engineering (A/E) services, both in-house and contract, were funded by each individual project requiring such services (for example construction and acquisition of facilities, repairs, and alterations). This new funding approach represents a new method of funding personnel and contractual costs. This new activity does not represent a new program, but a new mechanism for funding in-house personnel costs and A/E contractual costs for ongoing programs.

REVIEW OF THE FEDERAL BUILDINGS FUND

The Committee has tried for a long period of time to garner control over the amount the Federal Government pays for space, either in owned or leased property. It has been the belief that agencies within the Federal Government should be held accountable for the space they occupy. Therefore, an amount is included within each agency's budget request to pay for the space.

The General Services Administration, pursuant to the Public Buildings Act of 1972 (Public Law 92–313), acts as the Government's landlord and builder. In contrast to other programs funded through a direct appropriation, the activities of the Federal buildings program are financed through a rent-like program paid by agencies and referred to as the standard level user charge (SLUC). These annual collections are deposited in the Federal buildings fund. Expenditures are made from this revolving fund for activities such as construction, alterations and repairs, rent, cleaning, utilities, protection, and other expenses associated with the operation and maintenance of Federal office buildings.

In the past few years considerable discussion has been held with regard to the rates charged users. Congress has indicated its displeasure at the size of increases in recent years by freezing the SLUC rate in 1983 and limiting the increase in 1984 to 14 percent (7 percent for those activities funded by the Commerce, State, Justice, and Judiciary bill). These decisions have caused problems for the Federal buidings fund. It is clear that if rates are continued to be paid at lower levels that new construction and much needed repair and alteration at existing Federal facilities is adversely affected.

A solution is imperative. The Committee, therefore, requests the GSA to work with the appropriate congressional authorizing committees to find a suitable solution to this vexing problem.

PERSONAL PROPERTY, OPERATING EXPENSES

1984 appropriation to date	$153,939,000
1985 budget estimate	167,244,000
House allowance	156,944,000
Committee recommendation	164,000,000

The Committee recommends an appropriation of $164,000,000. The House has approved a total that is $7,056,000 below the Committee proposal.

This appropriation provides for governmentwide direction and coordination of a worldwide supply distribution system; management of supplies and personal property; transportation and travel management; vehicle fleet management; and property management activities for utilization, rehabilitation, and donation of Federal personal property.

1. *Supply.*—This activity provides for the operation of a worldwide supply system to contract for and distribute supplies and property to Federal agencies.

2. *Transportation.*—This activity provides a comprehensive governmentwide program for transportation and travel management, operation,

and maintenance of motor equipment to meet the requirements of Federal agencies, development and execution of the automotive procurement function of the Government. Vehicle procurement functions and oversight responsibilities in direct support of the interagency motor pool system are financed through the general supply fund.

3. *Property management.*—This activity plans, directs, and coordinates on a worldwide basis programs and activities relating to maximum utilization of excess personal property; rehabilitation and reclamation of personal property; the transfer of surplus personal property for donation to the States and local organizations for public purposes and other purposes; and the disposal of excess Federal personal property (except DOD property) by sale.

4. *Service direction*—This activity provides executive leadership, management direction, and nationwide support for a national supply program, a governmentwide program for transportation/travel management and property management within the Office of Federal Supply and Services. It also develops policy and provides nationwide support services in the areas of budget administration, financial management, data systems, forecasting, management information systems, and economic analysis.

NATIONAL ARCHIVES AND RECORDS SERVICE

OPERATING EXPENSES

1984 appropriation to date	$90,805,000
1985 budget estimate	92,325,000
House allowance	98,925,000
Committee recommendation	96,325,000

The Committee recommends an appropriation of $96,325,000, an increase of $4,000,000 above the fiscal year 1985 budget request, but $2,600,000 below the House level.

This appropriation provides for basic operations dealing with management of the Government's archives and records, operation of Presidential libraries, grants for historical publications, and for the review for declassification of all security classified information as it becomes 20 years old.

In 1985 records in the National Archives and Federal Records centers will total approximately 16.3 million cubic feet. The number of reference services expected to be provided will total 27.7 million cubic feet.

The $4,000,000 increase over the budget request is for the National Historical Publications and Records Commission (NHPRC) grant program. The total equals the House proposal. The administration requested no funding for the grant program.

No funds are included in the operating expenses, National Archives and Records Service appropriation for providing reproduction of records to Federal agencies. Agencies will be charged at cost in accordance with 44 United States Code 2112(c).

FEDERAL PROPERTY RESOURCES SERVICE

OPERATING EXPENSES

1984 appropriation to date	$37,339,000
1985 budget estimate	40,257,000
House allowance	40,257,000
Committee recommendation	38,000,000

The Committee recommends an appropriation of $38,000,000.

This appropriation funds staff for the acquisition, administration, and disposal of national defense stockpile inventories; administration and disposal of the Defense Production Act inventory; and utilization and disposal of excess and surplus real property in 1985.

The estimate provides for storage, maintenance, and inspection of stockpile materials; disposal of those stockpile materials excess to objectives and the acquisition of materials needed to meet objectives; the appraisal of real property; and continuing emphasis on reuse of existing real property to extend its useful life.

1. *Stockpile management.*—This activity manages the national defense stockpile of strategic and critical materials required to keep the Nation's mobilization base viable. It includes costs of receiving, storing, inspecting, and maintaining the material in storage locations.

2. *Stockpile transactions.*—This activity develops and implements plans and programs to acquire and dispose of stockpiled materials in accordance with statutory provisions. It includes the collection of technical, economic, and marketing data and an analysis of factors such as supply, demand, consumption, prices, specifications, and quality; these activities support the development of marketing and acquisition plans and programs, which are then implemented by the conduct of transactions in the commodities market.

3. *Real property.*—This activity promotes maximum utilization of real property by Federal agencies and the transfer among agencies of excess real property. It provides for the disposal of surplus real property by sale, exchange, lease, permit, assignment, or transfer, as well as the protection and maintenance of excess and surplus property pending its disposition. It also provides for the appraisal of excess and surplus property, necessary environmental and cultural analyses, disposition and predisposition reuse planning, and real property utilization surveys.

NATIONAL DEFENSE STOCKPILE TRANSACTION FUND

(Limitation on Availibility of Revenue)

1984 appropriation to date	($120,000,000)
1985 budget estimate	(120,000,000)
House allowance (limitation)	(120,000,000)
Committee recommendation	(120,000,000)

The Committee recommends a limitation of $120,000,000.

This fund was established by the Strategic and Critical Materials Stock Piling Act (Public Law 96–41) approved July 30, 1979, to finance the acquisition of strategic and critical materials and related transportation costs out of receipts from disposal sales of excess stockpile materials and to provide for the rotation of any material in the stockpile when necessary to prevent deterioration by replacement of the material with an equivalent quantity and substantially the same material.

This act was amended by the Omnibus Budget Reconciliation Act of 1981 (Public Law 97–35) which provided for: (1) payment of incidental expenses related to acquisition of materials; (2) availability of funds until expended unless otherwise provided in appropriation acts; (3) a limitation on the fund balance; and (4) requirements for certain plans and reports to be submitted to Congress.

The purpose of this fund is to provide for the acquisition of certain strategic and critical materials to preclude the dependency of the United States upon foreign sources for supplies of such materials in times of a national emergency. Related operating expenses are provided under the appropriation Federal Property Resources Service, operating expenses.

In 1983 this fund became a revolving fund intended to facilitate a program of sales and acquisitions. Under this concept, acquisition levels are tied to projected receipts.

GENERAL MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

1984 appropriation to date	$123,635,000
1985 budget estimate	140,987,000
House allowance	123,635,000
Committee recommendation	137,000,000

The Committee recommends an appropriation of $137,000,000, an increase of $13,365,000 over fiscal year 1984. Of this total, $9,103,000 results from a transfer of data processing support from the Office of Information Resources Management, operating expenses account, which will reflect equal reduction in its activity.

This appropriation provides for policy direction and coordination of all GSA programs by the Administrator, his Deputy, 11 regional administrators, and congressional and external affairs; agencywide acquisition policy, planning, and coordination; and financing of administrative and financial services on a centralized and integrated basis for all GSA programs.

1. *Executive direction.*—Directs the execution of all functions assigned GSA by the Federal Property and Administrative Services Act of 1949, as amended, and the reorganization plans of the President. Maintains close coordination with the Small Business Administration on national minority business proposals and contracts, assuring they receive a fair share of department's business. Formulates agency policy regarding management matters and pursues large-scale management improvement initiatives.

2. *Comptroller, organization and personnel, and oversight.*—Provides centralized budgeting, financial management, accounting, and planning for GSA. Plans, directs, and implements all activities related to person-

nel management, including labor-management relations, training, position management, and personnel documentation; conducts management and analytical studies of GSA organizations; directs the GSA mobilization, emergency relocation, and national civil defense planning program, including coordination of support services to other agencies. Oversees implementation of audit reports from the Office of Inspector General and GSO; and coordinates all activities related to administrative management. This activity is also responsible for the postpayment audit of Government transportation bills, including payments to commercial audit firms, and for settling transportation claims by and against the Government. Also provides accounting services to the Department of Justice in defense of Indian tribal claims against the Government.

3. *Board of Contract Appeals.*—In accordance with the Contract Disputes Act of 1978, the Board has jurisdiction over any dispute relating to a contract for the provision of goods and services to the Government, inclusive of, but not limited to, disputes clause cases concerning contract performance; appeals of disappointed bidders; and proposed debarment or suspension actions.

4. *Legal services.*—Covers the fields of real property, personal property, archives and records, automated data and telecommunications, transportation and public utilities, stockpile acquisition and disposal, and finance and administration.

5. *Acquisition policy.*—Oversees the implementation of GSA-wide acquisition, supply, and storage management policies, and insures implementation, through surveillance and performance of acquisition management reviews. This Office is the primary point of contact with the Office of Federal Procurement Policy; administers the Federal procurement regulations; and prepares legislation for the agency acquisition program. In 1984, this Office assumed the functions of the Federal Acquisition Institute.

7. *Project control and oversight.*—Major responsibilities of this activity are contract review and clearance; contract assurance and compliance; small and disadvantaged business counseling; and processing EEO complaints.

SUPPORT FOR CONGRESSIONAL STATE AND DISTRICT OFFICES

The General Services Administration has informed the Committee that GSA has incurred unreimbursed costs for support for congressional State and district office, which has reached an annual level of $1,700,000. GSA estimates staff-years at approximately 33.

In order that these costs may be properly reflected in appropriate budget requests to Congress, it is requested that the General Services Administration work with the House Administration Committee and appropriate Senate officials to develop a procedure by which such costs are identified and documented and included in the appropriate budget requests.

The House has budgeted $500,000 and the Senate has budgeted $300,000 for reimbursable expenses during fiscal year 1985. Pending the outcome of the review the Committee directs the GSA to expend $900,000 required to cover these costs not budgeted by the Congress for fiscal year 1985.

FEDERAL OFFICE SPACE IN PHOENIX, ARIZ.

The Committee is concerned over the continuing disagreement between the city of Phoenix, Ariz., and the General Services Administration (GSA) regarding leasing of Federal Government office space in downtown Phoenix. The city and GSA signed a 1979 memorandum of understanding based on Executive Order 12072 agreeing to locate ". . . Federal agencies in the city's central business area, Governmental Mall, and adjacent areas of similar character. . ." The purpose of the executive order is to help revitalize downtown areas and has been kept in force by the administration.

The Committee understands that the GSA has not responded to the latest correspondence from the mayor on this continuing problem and that the issue of leased Federal office space in Phoenix has yet to be resolved. Therefore, the Committee recommends that no action be taken by GSA regarding any pending leases until this important issue affecting the city of Phoenix is resolved. In the meantime, the Committee directs GSA to give priority to leasing or to construction of Federal office space in downtown Phoenix in the areas identified by the city in the latest correspondence between the mayor of Phoenix and the regional administrator of GSA. The Committee expects to be kept fully informed of any progress made in this regard.

OFFICE OF INFORMATION RESOURCES MANAGEMENT

OPERATING EXPENSES

1984 appropriation to date	$47,434,000
1985 budget estimate	33,393,000
House allowance	33,393,000
Committee recommendation	33,393,000

The Committee recommends an appropriation of $33,393,000. The reduction from the fiscal year 1984 level reflects a transfer of the data processing support activity to the salaries and expenses account within the general management and administration activity.

This appropriation provides for the overall direction and coordination of comprehensive governmentwide programs for the management, procurement, and utilization of automated data processing, telecommunications, and office information equipment and services. It provides for the development and coordination of governmentwide policies, procedures, and regulations pertaining to ADP, telecommunications, and office information systems acquisition, management, and utilization; provides for establishment of governmentwide automated data processing standards; provides information services to the public; and provides for the overall management of operations financed through the automated data processing (ADP) fund and the Federal telecommunications (FT) fund.

1. *Federal information resources management.*—This activity develops, plans, and directs governmentwide programs for the management and acquisition of Federal information resources. Develops and monitors governmentwide policies and regulations relative to the acquisition, management, and use of information resources. Plans, directs, and develops policies and regulations for improving Federal records and information management programs. Provides reimbursable technical assistance to Federal agencies on records and information problems.

2. *Central information services.*—This activity manages and directs data and information systems; provides data and information services; operates programs for the improvement of governmentwide software; and provides near-term planning, applied research and development, engineering, operation, and management of the Federal telecommunications system (FTS).

3. *Information resources procurement.*—This activity provides for the overall management, control, and coordination of governmentwide programs and activities relating to the procurement of ADP and telecommunications equipment, software, maintenance, and related supplies and services; the implementation of governmentwide ADP resources sharing programs; and the management of reimbursable ADP and telecommunications procurement programs financed through the automated data processing (ADP) fund and the Federal telecommunications fund.

4. *Regional information services.*—This activity is the focal point for OIRM regional activities; provides for the overall management, control, and coordination of governmentwide programs and activities relating to the operation, maintenance, and utilization of local telecommunications equipment and services; provides for the management of reimbursable programs financed through the Federal telecommunications fund; and provides assistance to the public through the Federal Information Centers.

5. *GSA information systems.*—This activity develops and oversees GSA policy concerning the acquisition, development, and use of automated information systems, equipment, and facilities within the guidelines established by the Executive Steering Committee for Information Resources Management; it insures that the GSA ADP strategic plan is kept current; and that initiatives undertaken are consistent with the plan; develops and enforces standards and procedures to be used by GSA organizations in the central and regional offices in the acquisition, development, and use of automated information systems, equipment, and facilities; provides assistance and support to GSA organizations whose level of ADP activity does not warrant a full-time ADP staff, or to those who require support of a special nature; and manages internal common-use ADP and data communications facilities.

OFFICE OF THE INSPECTOR GENERAL

1984 appropriation to date	$19,513,000
1985 budget estimate	21,473,000
House allowance	21,473,000
Committee recommendation	21,473,000

The Committee recommends an appropriation of $21,473,000 for the Office of the Inspector General.

The Office of Inspector General (OIG) implements in its entirety the provisions of the Inspector General Act of 1978.

Prior to the establishment of the Office of Inspector General, the unique disciplines of auditing, investigations, and inspections were disparate by functional as well as organizational separation. The implementation of the Inspector General concept within the General Service Administration provided the ability to organize these disciplines and activities as multidisciplinary, programmatic teams and task forced independent from the influence of services and staff offices. According to GSA testimony in the past, the limited staffing resources assigned to the Office of Audits have seriously curtailed audit programs. Many agency programs have not been audited on a recurring basis within acceptable audit timeframes and many contracts not audited at all, simply because manpower and resources were unavailable. The Inspector General believes that successful prevention of fraud, waste, and gross mismanagement within GSA requires that a visible, active, and effective audit posture be maintained. This audit posture must be capable of assessing internal management deficiencies, inadequate systems of control, and defective contracts and contracting procedures on a recurring basis. The cycle for conducting such audits, as well as to maintain an effective program of audit followup, should coincide insofar as possible with management planning schedules of the agency.

The Inspector General's Office consists of an Office of Audits, an Office of Investigations, an Office of Inspection, and an Office of Special Projects.

ALLOWANCE AND OFFICE STAFF FOR FORMER PRESIDENTS

1984 appropriation to date	$1,171,000
1985 budget estimate	1,170,000
House allowance	1,023,000
Committee recommendation	1,170,000

The Committee recommends the budget request of $1,170,000 for allowances and office staff for former Presidents. This recommendation equals the budget request and is $147,000 more than the House-passed level.

This appropriation provides for the pensions, office staffs, and related expenses for former Presidents Richard M. Nixon, Gerald R. Ford, and Jimmy Carter, and for pensions and postal franking privileges for the widow of former President Lyndon B. Johnson.

Below is listed a detailed breakdown of the fiscal year 1985 budget request:

FORMER PRESIDENTS, FISCAL YEAR 1985

	Nixon	Ford	Carter	Widows	Jackson Place	Total
Personnel compensation	$96,000	$96,000	$96,000			$288,000
Personnel benefits	12,000	12,000	13,000			37,000
Pensions	82,900	82,900	82,900	$20,000		268,700
Travel	34,000	34,000	34,000			102,000
Motor pool	400	300	300			1,000
Rents, utilities, communications:						
Equipment rental/depreciation	3,500	1,000	500			5,000
Telephone	35,400	35,400	35,500			106,300
Postage	5,000	11,000	11,000	3,000		30,000
SLUC	80,000	67,000	89,000		$32,000	268,000
Printing	4,000	5,000	4,000			13,000
Other services:						
Commercial contracts, etc	9,000	8,000	9,000			26,000
Supplies and materials	8,000	8,000	9,000			25,000
Total appropriation	370,200	360,600	389,200	23,000	32,000	1,170,000

GAO STUDY

The Committee is concerned about reports that Federal expenditures and benefits to former Presidents have escalated significantly in recent years. The Committee, therefore, directs the General Accounting Office to conduct an examination and analysis of all Federal expenditures, benefits and inkind services and costs associated with former Presidents and their dependents. The report shall be completed and transmitted to the Committee no later than March 1, 1985.

EXPENSES, PRESIDENTIAL TRANSITION

1984 appropriation to date	
1985 budget estimate	$3,000,000
House allowance	3,000,000
Committee recommendation	3,000,000

The appropriation is approved in accordance with the Presidential Transition Act of 1963. as amended, which authorizes not more than $2,000,000 for the purposes of providing services and facilities to the President-elect and the Vice-President-elect and not more than $1,000,000 for the former President and former Vice-President. In the case where the President-elect is the incumbent or where the Vice-President-elect is the incumbent Vice-President, any funds appropriated are to be returned to the general fund for the Treasury.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

APPROPRIATION

1984 appropriation to date	$107,046,000
1985 budget estimate	110,953,000
House allowance	106,653,000
Committee recommendation	110,000,000

The Committee recommends a direct appropriation of $110,000,000 for the salaries and expenses of the Office of Personnel Management.

The Senate total is $953,000 below the budget request, but $3,347,000 over the House total.

LIMITATION

(TRANSFER OF FUNDS)

1984 appropriation to date	($48,572,000)
1985 budget estimate	(50,687,000)
House allowance	(50,687,000)
Committee recommendation	(50,687,000)

The Committee recommends a limitation of $50,687,000, the full amount of the fiscal year 1985 budget request and the House level.

These funds would be transferred from the appropriate trust funds of the Office of Personnel Management to cover administrative expenses for the retirement and insurance programs. Of the total amount recommended, $40,500,000 would be transferred from the civil service retirement and disability fund; $1,000,000 from the employees life insurance fund; $8,700,000 from the employees health benefits fund; and $500,000 from the retired employees health benefits fund.

The 1984 direct appropriation of $110,953,000 recommended by the Committee is to carry out the program responsibilities of the Office of Personnel Management. These responsibilities include working with Federal agencies to assure the efficient and effective implementation of Federal personnel laws and regulations, assisting State and local governments in improving their personnel management systems, and supporting a number of other functions assigned to the OPM by law or Executive order.

The Office of Personnel Management is responsible for positive personnel management functions which include the following activities:

1. *Staffing services.* This activity consists of: (*a*) recruiting; (*b*) examining; (*c*) assuring suitability; and (*d*) developing classification standards.

2. *Compensation.* The OPM administers compensation and benefits programs for the Federal work force. These include: the civil service retirement and disability fund, the employees life insurance fund, and the retired employees health benefits fund.

3. *Work force effectiveness and development.* This activity includes: (*a*) Federal productivity program; (*b*) affirmative employment programs; (*c*) performance appraisal implementation; and (*d*) training assistance.

4. *Agency relations.* This activity includes: (*a*) personnel management evaluations; (*b*) agency classification reviews; and (*c*) work force information.

5. *Executive personnel.* This activity includes: (*a*) executive personnel oversight and guidance; (*b*) executive staffing and mobility; and (*c*) executive position management.

6. *Labor-management relations.* This activity consists of providing leadership in implementing the Federal Government's labor-management relations program.

7. *Other programs.* This activity includes: (*a*) administering the Voting Rights Act of 1965; (*b*) providing administrative support to the President's Commission on Executive Exchange and White House fellows; (*c*) carrying out provisions of the Ethics in Government Act of 1978; (*d*) evaluating the Civil Service Reform Act; (*e*) conducting research and demonstration projects; (*f*) supplying ADP services to external users on a reimbursable basis; and (*g*) providing executive direction and administrative support to OPM programs financed through other budgetary accounts on a reimbursable basis.

COMBINED FEDERAL CAMPAIGN

The Committee is deeply concerned that the new rules proposed by the Office of Personnel Management on April 13, 1984, might have a negative impact on the ability of Federal workers to make informed choices regarding the specific charities they wish to contribute to in the Combined Federal Campaign. The Committee notes that a number of charities have expressed similar concerns.

The Committee firmly believes that Federal workers must have, at a minimum, a listing of past years' CFC donees including a brief statement of each organization's programs. Therefore, the Committee directs the Director of the Office of Personnel Management to redraft the proposed regulations to assure that where a local Federal coordinating committee elects not to publish a list of eligible organizations, the principal combined fund organization shall provide to Federal employees a list of all organizations that received or will receive funds from the preceding year's CFC, including a brief statement of each organization's goals and objectives. Such list shall be divided by category of service. The Committee envisions that Federal workers will be allowed to write in any 501(c)(3) charitable organization that is not a private foundation and that the list would simply provide to Federal workers information on the past year's CFC activities. The Committee has no objection to OPM providing a further listing in developing their regulations that would go beyond the Committee's specifications. Should OPM decide to do so, the Director shall report back to the Committee with his findings.

NURSING POLICY

The Committee is concerned that there presently is not sufficient communication between the nursing community and the Office of Personnel Management (OPM). Professional nurses make up the largest component of our Nation's health delivery system and the Committee understands that there are in excess of 35,500 nurses presently employed by the Federal Government, as well as an additional 34,900 nurse assistants. Similarly, the Committee feels that specific nursing guidance and expertise would be beneficial to OPM during its annual contract negotiations on the various Federal employee health benefit programs. Accordingly, the Committee urges OPM to establish a career position within its policy formulating offices to ensure that nursing expertise will become an integral part of OPM.

PRESIDENT'S COMMISSION ON EXECUTIVE EXCHANGE

The President's Commission on Executive Exchange (PCEE), established by Executive Order 12136, provides a means through which a mutual understanding and a better working relationship is achieved between the private sector and the Federal Government through the exchange of high-caliber, senior executives from each sector through a 1-year work assignment in the opposite sector.

Pursuant to Public Law 98–224 (Mar. 2, 1984), the PCEE is authorized to utilize a separate account with the revolving fund of the Office of Personnel Management for purposes of education, travel, printing, and for such entertainment expenses "as may be specified in appropriations acts." This account is comprised of private-sector moneys collected as participation fees from private-sector organizations sponsoring participants in the PCEE program. These funds are not appropriated funds.

The Committee approves a limitation on entertainment expenses of $12,000 for fiscal year 1985,

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

1984 appropriation to date	$1,506,339,000
1985 budget estimate	1,341,553,000
House allowance	1,341,553,000
Committee recommendation	1,341,553,000

The Committee recommends an appropriation of $1,341,553,000 for Government payments for annuitants, employees health benefits.

This appropriation funds the Government's share of health benefit costs for annuitants and survivors who no longer have an agency to contribute the Government's share. The Office of Personnel Management requests the appropriation necessary to pay this contribution to the Employees Health Benefits Fund and Retired Employees Health Benefits Fund. These trust revolving funds are available for: (1) the payment of subscription charges to approved carriers for the cost of health benefits protection; (2) contributions for qualified retired employees and survivors who carry private health insurance; and (3) the payment of expenses incurred by the Office of Personnel Management in the administration of these programs.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

1984 appropriation to date	$3,908,490,000
1985 budget estimate	4,366,868,000
House allowance	4,366,868,000
Committee recommendation	4,366,868,000

The Committee recommends an appropriation of $4,366,868,000 for payment to the civil service retirement and disability fund.

The payment to the civil service retirement and disability fund includes the appropriation and the permanent indefinite authorization required to provide for the contribution of the Government's share of retirement costs.

The civil service retirement and disability fund was created to provide annuities for eligible employees who retire because of age and service or disability, and benefits to eligible survivors of employees who died in service or after retirement. In fiscal year 1985, membership in the civil service retirement system will consist of 2.7 million employees and about 2 million retired employees and survivors who will receive benefits totaling over $22,000,000,000 annually.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

1984 appropriation to date	$19,622,000
1985 budget estimate	20,477,000
House allowance	20,477,000
Committee recommendation	20,477,000

The Committee recommends an appropriation of $20,477,000 for the Merit Systems Protection Board.

LIMITATION

(TRANSFER OF FUNDS)

1984 appropriation to date	($1,200,000)
1985 budget estimate	(1,200,000)
House allowance	(1,200,000)
Committee recommendation	(1,200,000)

The Committee recommends a limitation of $1,200,000.

Created by Reorganization Plan No. 2 of 1978, the Merit Systems Protection Board assumed responsibility for the adjudicatory functions of the former Civil Service Commission. These functions include adverse action, reduction-in-force appeals, and retirement and overpayment appeals for the civil service trust funds. In support of this appeals program, the Board will report to the President on whether merit systems are sufficiently free from prohibited personnel practices to protect the public interest.

The Merit Systems Protection Board is responsible for implementing the provisions of sections 1201 through 1209 of the Civil Service Reform Act of 1978.

Specifically, the major functions of the Board, as detailed in the Reform Act, are to (1) hear, adjudicate, or provide for the hearing or adjudication of all matters within the jurisdiction of the Board; (2) order any Federal agency or employee to comply with any order or decision issued by the Board under its authority, and enforce compliance with any such order; (3) conduct, from time to time, special studies relating to the civil service and to other merit systems in the executive branch, and report to the President and to the Congress as to whether the public interest in a civil service free of prohibited personnel practices is being adequately protected; and (4) review, under its authority, rules and regulations of the Office of Personnel Management.

OFFICE OF SPECIAL COUNSEL

1984 appropriation to date	$4,359,000
1985 budget estimate	4,583,000
House allowance	4,583,000
Committee recommendation	4,583,000

The Committee recommends an appropriation of $4,583,000 for the Office of Special Counsel.

Reorganization Plan No. 2 of 1978 established the Office of the Special Counsel, Merit Systems Protection Board. The Special Counsel is empowered to investigate prohibited personnel practices in Federal agencies and political activities prohibited by the Hatch Act by Federal, State, and local employees and to administratively prosecute offending employees and agencies before the Board. The Special Counsel may also transmit "whistleblower" allegations to the agency head concerned and require an agency investigation and a report thereon to the Congress and the President when found appropriate.

FEDERAL LABOR RELATIONS AUTHORITY

1984 appropriation to date	$16,695,000
1985 budget estimate	17,197,000
House allowance	17,197,000
Committee recommendation	17,197,000

The Committee recommends an appropriation of $17,197,000 for the Federal Labor Relations Authority.

The purpose of the Authority is to serve as a neutral party in the settlement of disputes that arise between unions, employees, and agencies on matters outlined in the Federal Service Labor Management Relations Statute, and decide major policy issues, prescribe regulations, and disseminate information appropriate to the needs of agencies, labor organizations, and the public. Establishment of the Federal Labor Relations Authority gives full recognition to the role of the Federal Government as an employer.

1. *Adjudication.* The Authority adjudicates labor-management disputes in the Federal sector including: appeals on negotiability issues; exceptions to arbitration awards; appropriate units for the purposes of exclusive recognition; eligibility of labor organizations for national consultation rights and unfair labor practice complaints.

2. *Hearings.* This activity provides for holding hearings on unfair labor practice complaints, issuing reports, and making recommendations to the Authority on each case to allow timely settlement of disputes arising between agencies and unions.

3. *Office of the General Counsel.* As the investigative and prosecutional activity of the Authority, this function includes: supervision of elections to determine exclusive recognition and certification of results; investigation of questions of representation and unfair labor practice charges; and prosecution of unfair labor practice complaints, and review of appeals of dismissals of unfair labor practice charges.

NATIONAL GUARD TECHNICIANS

The National Guard Technicians Act of 1968 recognized the unique Federal-State military function and status of the technician work force. Totally unique to that act and essential to the effectiveness of the National Guard upon mobilization for Federal military service, was the requirement for membership in the National Guard as a continuing condition of employment.

The technician program, as established by the Congress in 1968, no longer stands on its own as intended, but has been seriously undercut and impaired as the result of the application to it of the labor-management provisions of the 1978 Civil Service Reform Act (now codified as chapter 71 of title 5, U.S.C.): This law requires agencies to demonstrate to the Federal Labor Relations Authority (FLRA) a "compelling need" for a particular regulation, and, failing that, to negotiate the regulation with the union.

The authority that is absolutely essential in a military organization and the traditional relationships that enable such authority to function is seriously undermined when a totally alien concept of collective bargaining over regulations of orders is applied to a military organization.

Therefore, National Guard technician regulations that are deemed necessary for the "discipline, morale, combat readiness or efficiency of the National Guard" are hereby insulated from review by the FLRA and, from the standard of "compelling need" as well as from negotiation with technician unions.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

1984 appropriation to date	$15,165,000
1985 budget estimate	22,344,000
House allowance	22,344,000
Committee recOmmendation	22,344,000

The Committee recommends an appropriation of $22,344,000 for the U.S. Tax Court.

The U.S. Tax Court is an independent judicial body, the membership of which is composed of a chief judge and 18 judges. The Tax Reform Act of 1969 changed the status of the Court from an independent agency in the executive branch to a court of record under article I of the Constitution of the United States.

Decisions by the Court are reviewable by the U.S. courts of appeals and, if certiorari is granted, by the Supreme Court.

In their judicial duties the judges are assisted by senior judges, who participate in the adjudication of regular cases assigned to them by the chief judge. During fiscal year 1985, 6 senior judges and 17 special trial judges will be serving on the Court.

The Court conducts trial sessions throughout the United States, including Hawaii and Alaska.

GROWING CASELOAD

The Committee requested the General Accounting Office to review the operations of the Court. That review has been completed (GAO/GGD–84–25; May 14, 1984) and returned to the Committee and the Court. The Committee believes the report reviews important changes that can be made which will reduce the case backlog, while enabling the Court to improve operations and reduce expenses.

STATEMENT CONCERNING GENERAL PROVISIONS

This bill carries a number of general provisions, some of which are routine and have been carried for a number of years, and some are proposed for the first time this year.

Those general provisions that deal with a single agency only are shown immediately following that agency's appropriation in the accompanying bill. Others that deal with all of the agencies provided for in this bill are shown under title V, and those general provisions that are governmentwide in scope are shown under title VI of the accompanying bill.

The Committee has continued all the general provisions contained in the 1980 Appropriations Act except the Sense of the Congress Resolution about the proceeds of the sale of former President Nixon's San Clemente residence.

In fiscal years 1981, 1982 and 1983, and 1984 there was no separate Treasury, Postal Service and General Government Appropriation Act. Funding was provided under a series of continuing resolutions. In these resolutions, the general provisions carried in the 1980 Appropriation Act (Public Law 96–74) were continued.

TITLE V—GENERAL PROVISIONS

THIS ACT

The Committee has recommended retaining all of the general provisions in title V, except sections 510, 511, and 515. The Committee has added two new sections.

An explanation of the recommendations follows:

SEC. 501. The Committee has added the Office of Personnel Management to this exception, solely so it can carry out its oversight responsibilities as it relates to the Voting Rights Act.

SEC. 508. The Committee concurs with the House modifying section 509 as it appeared in last year's bill. Last year's bill prohibited the use of funds for implementing or enforcing any provisions of the rule TD ATF-66 issued June 13, 1980, by the Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms on labeling and advertising of wine, distilled spirits and malt beverages, unless the expenditure of the funds is necessary to comply with a final order of the Federal court system, 90 days after when enforcement might occur. This bill deletes that 90 day period and requires actions which might be mandated by the court's final decision.

The following sections have been in previous House bills, but appear in a Senate reported bill for the first time:

SEC. 510. The Committee concurs with the language prohibiting the Customs Service from eliminating existing surety bond requirements.

SEC. 511. The Committee concurs with the general provision concerning the transfer of approximately 3.4 acres at Hickam Air Force Base Administrative Annex to the State of Hawaii in compliance with its original application of February 24, 1982, under the Airport and Airway Development Act (ADAP).

SEC. 512. The Committee concurs with the House that language be included in the bill directing the U.S. Customs Service to enforce import regulations barring products produced by slave labor.

SEC. 513. The Committee concurs with the language in the bill to prohibit the transfer of control over the Federal Law Enforcement Training Center at Glynco, Ga., out of Treasury Department control.

SEC. 514. The Committee has added language used in last year's bill to require a 10-percent reduction in consultant services. This section does not appear in the House bill.

SEC. 515. Prohibits procurement of certain stainless steel flatware not produced in the United States.

TITLE VI—GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

The Committee concurs with the House and recommends continuation of sections contained in last year's bill (sections 601–616). The Committee has struck section 617, 620, 621, and 622 from the bill. It also agrees that sections 618 and 619 (with new section numbers) be retained. Sections 619 and 620 are proposed by the Committee. An outline of the new sections follows:

SEC. 617. The Committee has struck language which prohibits the Customs Service from closure of any currents offices and also prohibits further consolidation and centralized appraisement functions. A further explanation is carried in the U.S. Customs discussion of this report.

SEC. 620. The Committee has struck language requiring a 1-percent across-the-board reduction in the bill.

SEC. 621. The Committee has struck the availability of funding for the construction in Charleston, S.C., until local disputes have been settled.

SEC. 622. The Committee funded the former Presidents' account at the budget request in title IV.

SECS. 617–618. The Committee has included language prohibiting use of Federal funds for abortions for Federal employees using health benefits programs.

SEC. 619. The Committee recommends language carried in previous Senate reported appropriations bills which impose a ceiling on renovation of offices unless approved by the Committee.

SEC. 620. The Committee has included a provision to allow Federal employee organizations the opportunity to provide health benefit programs.

SEC. 621. The Committee has included language which clarifies the role of the Secret Service and provides authority for the Service to investigate credit card fraud in the manner it investigates other financial cases.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions, not heretofore carried in this exact form in connection with any appropriations bill, are recommended:

Compliance With Paragraph 7 of Rule XVI of the Standing Rules of the Senate

The Committee submits the following statement in compliance with paragraph 7 of rule XVI of the Standing Rules of the Senate, which requires the Committee to identify "each recommended amendment which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session."

The bill provides, in some instances, for funding of agencies and activities where legislation has not yet been finalized (U.S. Customs Service, Bureau of the Mint, and Federal Election Commission). In addition, the bill carries language in some instances permitting activities not authorized by law or exempting agencies from certain provisions of law, but which has been carried as part of this appropriations bill for a number of years.

BUDGETARY IMPACT OF BILL

PREPARED BY THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308(a), PUBLIC LAW 93–344

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount in bill	Committee allocation	Amount in bill
Comparison of amounts in the bill with the Committee allocation to its subcommittees of amounts in the First Concurrent Resolution for 1985: Subcommittee on Treasury Postal Service	NA	12,739	NA	[1] 12,877
Projections of outlays associated with budget authority recommended in the bill:				
1985				[2] 12,019
1986				717
1987				43
1988				4
1989 and future year				
Financial assistance to State and local governments for 1985 in the bill				

[1] Includes outlays from prior-year budget authority.

[2] Excludes outlays from prior-year budget authority.

NA: Not applicable

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1984 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1985

[Amounts in dollars]

Item (1)	1984 Appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or −): 1984 Appropriation (6)	Budget estimate (7)	House allowance (8)
TITLE I - DEPARTMENT OF THE TREASURY							
Office of the Secretary	65,743,000	84,242,000	56,474,000	77,242,000	+11,499,000	-7,000,000	+20,768,000
International affairs	---	---	22,768,000	---	---	---	-22,768,000
Federal Law Enforcement Training Center	14,481,000	16,964,000	16,964,000	18,314,000	+3,833,000	+1,350,000	+1,350,000
Bureau of Government Financial Operations:							
Salaries and expenses	239,995,000	239,908,000	226,608,000	235,994,000	-4,001,000	-3,914,000	+9,386,000
Bureau of Alcohol, Tobacco, and Firearms	157,260,000	161,771,000	169,271,000	167,271,000	+10,011,000	+5,500,000	-2,000,000
United States Customs Service:							
Salaries and expenses	584,943,000	585,335,000	---	643,465,000	+58,522,000	+58,130,000	+643,465,000
Operations and maintenance, air interdiction program	31,000,000	32,070,000	---	44,425,000	+13,425,000	+12,355,000	+44,425,000
Bureau of the Mint:							
Salaries and expenses	49,000,000	47,758,000	---	47,758,000	-1,242,000	---	+47,758,000
Expansions and improvements	3,070,000	---	---	---	-3,070,000	---	---
Total, Bureau of the Mint	52,070,000	47,758,000	---	47,758,000	-4,312,000	---	+47,758,000
Bureau of the Public Debt	196,427,000	197,955,000	197,955,000	197,955,000	+1,528,000	---	---
Internal Revenue Service:							
Salaries and expenses	99,800,000	104,687,000	104,687,000	102,000,000	+2,200,000	-2,687,000	-2,687,000
Processing tax returns	929,000,000	992,457,000	992,457,000	972,457,000	+43,457,000	-20,000,000	-20,000,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1984 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1985—Continued

[Amounts in dollars]

Item	1984 Appropriation	Budget estimate	House allowance	Committee recommendation	Senate committee recommendation compared with (+ or -)		
					1984 Appropriation	Budget estimate	House allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Examinations and appeals	1,232,000,000	1,357,073,000	1,357,073,000	1,350,000,000	+118,000,000	-7,073,000	-7,073,000
Investigations, collections and taxpayer service	1,004,000,000	1,062,642,000	1,081,142,000	1,060,000,000	+56,000,000	-2,642,000	-21,142,000
Total, Internal Revenue Service	3,264,800,000	3,516,859,000	3,535,359,000	3,484,457,000	+219,657,000	-32,402,000	-50,902,000
Payment where energy credit exceeds liability for tax	200,000	100,000	100,000	100,000	-100,000	---	---
United States Secret Service	294,555,000	275,731,000	278,331,000	286,500,000	-8,055,000	+10,769,000	+8,169,000
Total, title I, new budget (obligational) authority, Department of the Treasury	4,901,474,000	5,158,693,000	4,503,830,000	5,203,481,000	+302,007,000	+44,788,000	+[illegible]651,000
TITLE II - UNITED STATES POSTAL SERVICE							
Payment to the Postal Service Fund	879,000,000	691,556,000	1,040,509,000	1,040,509,000	+161,509,000	+348,953,000	---
TITLE III - EXECUTIVE OFFICE OF THE PRESIDENT							
Compensation of the President	250,000	250,000	250,000	250,000	---	---	---
Office of Administration	14,295,000	16,172,000	14,645,000	16,172,000	+1,877,000	---	+1,527,000
The White House Office	22,830,000	24,985,000	23,731,000	24,985,000	+2,155,000	---	+1,254,000
Executive Residence at the White House	4,550,000	4,601,000	4,601,000	4,601,000	+51,000	---	---
Official Residence of the Vice President	262,000	219,000	219,000	219,000	-43,000	---	---
Special Assistance to the President	1,593,000	1,663,000	1,663,000	1,663,000	+70,000	---	---
Council of Economic Advisers	2,464,000	2,560,000	2,560,000	2,560,000	+96,000	---	---

Office of Policy Development	2,861,000	3,020,000	3,020,000	3,020,000	+159,000	---	---
National Security Council	4,497,000	4,605,000	4,605,000	4,605,000	+108,000	---	---
Office of Management and Budget:							
Salaries and expenses	31,603,000	40,005,000	37,889,000	39,000,000	+7,397,000	-1,005,000	+1,111,000
Office of Information and Regulatory affairs	5,397,000	---	---	---	-5,397,000	---	---
Office of Federal Procurement Policy	2,556,000	1,615,000	1,615,000	1,615,000	-941,000	---	---
Property Review Board	415,000	---	---	---	-415,000	---	---
Unanticipated Needs	1,000,000	1,000,000	1,000,000	1,000,000	---	---	---
Total, title III, new budget (obligational) authority, Executive Office of the President	94,573,000	100,695,000	95,798,000	99,690,000	+5,117,000	-1,005,000	+3,892,000
TITLE IV - INDEPENDENT AGENCIES							
Administrative Conference of the United States	1,100,000	1,468,000	1,468,000	1,468,000	+368,000	---	---
Advisory Commission on Intergovernmental Relations	2,000,000	2,131,000	2,131,000	2,131,000	+131,000	---	---
Advisory Committee on Federal Pay	215,000	220,000	220,000	220,000	+5,000	---	---
Commission on Executive, Legislative and Judical salaries	---	160,000	160,000	160,000	+160,000	---	---
Committee for Purchase from the Blind and Other Severely Handicapped	687,000	710,000	710,000	710,000	+23,000	---	---
Federal Election Commission	10,649,000	10,230,000	12,834,000	12,900,000	+2,251,000	+2,670,000	+66,000
General Services Administration:							
Federal Buildings Fund:							
Appropriation	2,650,000	---	---	---	-2,650,000	---	---
Limitation on availability of revenue:							
1. Construction & acquisition of facilities	(146,210,000)	(89,877,000)	(106,814,000)	(103,910,000)	(-42,300,000)	(+14,033,000)	(-2,904,000)
2. Repairs and alterations	(87,517,000)	(223,749,000)	(228,432,000)	(212,407,000)	(+124,890,000)	(-11,342,000)	(-16,025,000)
3. Purchase contract payments	(145,500,000)	(178,911,000)	(178,911,000)	(178,911,000)	(+33,411,000)	---	---
4. Rental of space	(880,500,000)	(865,000,000)	(865,000,000)	(865,000,000)	(-15,500,000)	---	---
5. Real property operations	(656,500,000)	(694,998,000)	(685,848,000)	(694,998,000)	(+38,498,000)	---	(+9,150,000)
6. Program direction	(100,000,000)	(117,040,000)	(117,040,000)	(117,040,000)	(+17,040,000)	---	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1984 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1985—Continued

[Amounts in dollars]

Item	1984 Appropriation	Budget estimate	House allowance	Committee recommendation	Senate committee recommendation compared with (+ or −)		
					1984 Appropriation	Budget estimate	House allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
7. Design and construction services	---	(58,227,000)	(58,883,000)	(55,536,000)	(+55,536,000)	(-2,691,000)	(-3,347,000)
Unavailable balance within ceilings	---	---	(9,300,000)	---	---	---	(-9,300,000)
Total, Federal Buildings Fund:							
New budget (obligational) authority	2,650,000	---	---	---	-2,650,000	---	---
(Limitations)	(2,016,227,000)	(2,227,802,000)	(2,250,228,000)	(2,227,802,000)	(+211,575,000)	---	(-22,426,000)
Operating expenses, personal property	153,939,000	167,244,000	156,944,000	164,000,000	+10,061,000	-3,244,000	+7,056,000
National Archives and Records Service:							
Operating Expenses	90,805,000	92,325,000	98,925,000	96,325,000	+5,520,000	+4,000,000	-2,600,000
Federal Property Resources Activities:							
Operating expenses	37,339,000	40,257,000	40,257,000	38,000,000	+661,000	-2,257,000	-2,257,000
(Limitation on availability of revenue)	(120,000,000)	(120,000,000)	(120,000,000)	(120,000,000)	---	---	---
Total, Federal Property Resources Activities	37,339,000	40,257,000	40,257,000	38,000,000	+661,000	-2,257,000	-2,257,000
General Activities:							
General Management and Administration Salaries and Expenses	123,635,000	140,987,000	123,635,000	137,000,000	+13,365,000	-3,987,000	+13,365,000
Office of Information Resources Management Operating Expenses	47,434,000	33,393,000	33,393,000	33,393,000	-14,041,000	---	---
Office of the Inspector General	19,513,000	21,473,000	21,473,000	21,473,000	+1,960,000	---	---
Allowances and Office Staff for Former Presidents	1,171,000	1,170,000	1,022,900	1,170,000	-1,000	---	+147,100

Expenses, presidential transition	---	3,000,000	3,000,000	3,000,000	+3,000,000	---	---
Total, General Activities	191,753,000	200,023,000	182,523,900	196,036,000	+4,283,000	-3,987,000	+13,512,100
Total, General Services Administration	476,486,000	499,849,000	478,649,900	494,361,000	+17,875,000	-5,488,000	+15,711,100
Federal Personnel Activities							
Office of Personnel Management:							
Salaries and expenses:							
Appropriation	107,046,000	110,953,000	106,653,000	110,000,000	+2,954,000	-953,000	+3,347,000
Limitation	(48,572,000)	(50,687,000)	(50,687,000)	(50,687,000)	(+2,115,000)	---	---
Government payment for annuitants, employees health benefits	1,506,339,000	1,341,553,000	1,341,553,000	1,341,553,000	-164,786,000	---	---
Payment to civil service retirement and disability fund	3,908,490,000	4,366,868,000	4,366,868,000	4,366,868,000	+458,378,000	---	---
Total, Office of Personnel Management	5,521,875,000	5,819,374,000	5,815,074,000	5,818,421,000	+296,546,000	-953,000	+3,347,000
Merit Systems Protection Board:							
Salaries and expenses	19,622,000	20,477,000	20,477,000	20,477,000	+855,000	---	---
Limitation	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	---	---	---
Office of special counsel	4,359,000	4,583,000	4,583,000	4,583,000	+224,000	---	---
Total, Merit Systems Protection Board	23,981,000	25,060,000	25,060,000	25,060,000	+1,079,000	---	---
Federal Labor Relations Authority	16,695,000	17,197,000	17,197,000	17,197,000	+502,000	---	---
Total, federal personnel activities	5,562,551,000	5,861,631,000	5,857,331,000	5,860,678,000	+298,127,000	-953,000	+3,347,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1984 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1985—Continued

[Amounts in dollars]

					Senate committee recommendation compared with (+ or −)		
Item (1)	1984 Appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recom-mendation (5)	1984 Appropriation (6)	Budget estimate (7)	House allowance (8)
United States Tax Court: Salaries and Expenses........	15,165,000	22,344,000	22,344,000	22,344,000	+7,179,000	---	---
Total, title IV, new budget (obligational) authority, independent agencies...........	6,068,853,000	6,398,743,000	6,375,847,900	6,394,972,000	+326,119,000	-3,771,000	+19,124,100
General provision Sec. 620............................	---	---	-119,397,199	---	---	---	+119,397,199
Grand total:							
New budget (obligational) authority.......	11,943,900,000	12,349,687,000	11,896,587,701	12,738,652,000	+794,752,000	+388,965,000	+842,064,299
(Limitations).............................	(2,185,999,000)	(2,399,689,000)	(2,422,115,000)	(2,399,689,000)	(+213,690,000)	---	(-22,426,000)